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Aetna Benefits

This handbook summarizes the benefits and treatment you can expect under a number of benefit programs. It is presented for your general information and guidance, and contains a summary of current guidelines, which may be changed by the company, in whole or in part, at any time, with or without notice. Each benefit program subject to ERISA is more fully described in the formal provisions of the plan document. You are welcome to examine the plan document at any time. Please see *Your ERISA rights* in the "ERISA Rights" section of this handbook for more information about the plan documents.

We have tried to make this handbook accurate and complete. However, in the case of any inconsistency, the language of the applicable plan document will govern. We encourage you to bring any inconsistency to the attention of your human resources representative or call 1-800-AETNA-HR (1-800-238-6247).

Aetna has the sole right to exercise its discretion to construe and interpret the provisions of the programs described in this handbook, and its decisions shall be binding and conclusive. Aetna has the sole right to make rules and regulations necessary or proper for the administration of these programs and the transaction of business thereunder. The company retains the right to amend or terminate its benefits at any time. Also, participation in the plans described in this handbook does not ensure your continued employment or the right to any benefits, except as specifically provided in the plans.

Aetna strives to attain a work force that reflects the diversity of the labor market and provides equal employment opportunity. To support this objective, the company requires that all personnel policies and programs be administered according to their terms, without discrimination based on race, color, sex, national origin, citizenship, religion, age, disability, veteran status, sexual orientation or marital status. The company prohibits slurs, epithets and jokes based on race, color, sex, national origin, religion, age, disability, veteran status, sexual orientation or marital status. Further, all company personnel policies and programs are to be administered without discrimination based on race, color, sex, age, religion, national origin, marital status, sexual orientation, disability or veteran status.

While Aetna hopes that the employment relationship will be a long and enjoyable one, you may terminate your employment at any time, with or without cause or notice, and the company may do the same. Any modification of this understanding must be in writing and signed by the head of Corporate Human Resources or his or her designee.

While Aetna believes wholeheartedly in the policies and procedures described herein, this handbook is not intended to create, nor should you interpret it to be, contract or agreement of any type between the company and you.

Paid Time Off and Disability

Aetna provides a variety of programs for paid time away from work for eligible employees.

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Paid Time-Off (PTO) Bank

Aetna establishes a Paid Time-Off (PTO) Bank of days each year for eligible employees. These days are yours to use for any reason — such as vacation days, family illness days, individual sick days and personal time. Once you have used all the days in your PTO Bank, additional time off is unpaid. The PTO Bank does not include company holidays, jury duty and military leave, bereavement or community service time.

Eligibility

You are eligible if you are a regular employee, employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. However, if your date of hire is the first of the month, participation begins on that day. Participation is automatic and no enrollment is necessary. If you have a flexible work arrangement, paid time off is prorated based on your work schedule. Ask your manager for information.

How PTO Bank days accrue

The number of days in your PTO Bank each year depends on your years of service and work schedule.

Regular employees working a five-day week and actively employed on 12/31

If you are a regular employee who works a five-day workweek, eight days are deposited as of January 1, provided you are considered actively at work on that day, and you are actively employed on December 31, paid time-off days will accrue according to the schedule below. The remaining days accrue from February through November on the first day of the month.

Years of service*	Days deposited on January 1	Days accrued over the next 10 months**	Total for the year
Fewer than 3	8 days	1/month	18 days
3 to 9	8 days	1.5/month	23 days
10 to 24	8 days	2/month	28 days
25 or more	8 days	2.5/month	33 days

* Service is determined by your service date (adjusted date of hire) and is indicated on your employee profile. The service date calculation includes time employed at Aetna or one of its affiliates, as well as time employed as a regular employee at U.S. Healthcare or NYLCare, respectively, provided you were employed there as of the date those companies were acquired by Aetna.

** In January of your third, 10th and 25th service anniversary years, you will begin accruing days at the next higher rate.

Other employees

If you fall into one of the following categories, you accrue PTO Bank days according to a different deposit schedule:

- Employees with flexible work arrangements will have PTO Bank deposits that are prorated according to the number of days they are scheduled to work.
- New employees will accrue PTO Bank days during their first calendar year of employment based on the month in which they are hired. See your manager for the accrual schedule that applies to your situation.

- Rehired employees will have PTO Bank deposits that reflect prior years of service. During the first calendar year of re-employment, the exact number of days will be based on their service date (adjusted date of hire) and the month in which they are rehired.
- As of January 1 following their date of hire, new and rehired employees will accrue PTO Bank days as other employees with the same years of service and work schedule.

Employees who work in California, Illinois, Louisiana or North Dakota

If you work in California, Illinois, Louisiana or North Dakota, your PTO Bank balance may not exceed 25 days. Once this maximum is reached, all further accruals cease. PTO Bank accrual resumes after you have used PTO Bank time and the balance has dropped below the 25-day maximum. As a result:

- Employees who have a balance of 25 days in their PTO Bank on January 1 will not receive the eight-day deposit.
- Employees who have a balance between 18 to 24 days on January 1 will receive a one-time deposit, to bring their balance to 25 days.
- Employees with fewer than 18 days on January 1 will receive an eight-day deposit.

Using PTO Bank days

To use one of your days, follow your area's policy for requesting scheduled time off. You may take a full day or half-day from your PTO Bank. Your manager will keep a record of your PTO Bank days and the number of scheduled and unscheduled days you have taken.

You are expected to schedule absences in advance with your manager. This ensures that appropriate coverage can be arranged for your work while you are away. When you have used all your PTO Bank days, any further scheduled time off that year is at your manager's discretion and is unpaid.

Using days before they are accrued

With your manager's approval, you may borrow days not yet accrued in that calendar year. For example, if you have eight PTO Bank days on January 1 and you want to take a 10-day vacation later that month, you may borrow two additional PTO Bank days.

To borrow PTO Bank days before they are accrued, talk with your manager. You will have to sign an agreement to repay the advanced time if your employment with Aetna terminates before the days are accrued.

Carrying days over to the next year

You may carry up to five unused PTO Bank days from one calendar year into the next, without management approval. You will have 12 months to use them. Any additional days (over the five allowed) left unused on December 31 will be forfeited. (Note: Special rules apply to employees in California, Illinois, Louisiana and North Dakota.)

Out on an Unpaid Leave of Absence

If you are out on an unpaid leave of absence, you do not accrue one month's PTO Bank monthly deposit for each 20 consecutive working days you are out. This calculation will be different for employees working a schedule other than a five-day week. (In California, see your human resources contact to discuss the application of this policy.)

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When employment ends

If your employment with Aetna terminates, the value of up to 25 of your PTO Bank days may be payable to you — including carry-over days. The payout is a percentage of the value of your unused accrued PTO Bank time and depends on when you leave the company. The schedule below shows these percentages.

If you leave in	You receive this percentage of unused accrued time*
1st calendar quarter	25%
2nd calendar quarter	50%
3rd calendar quarter	75%
4th calendar quarter	100%

* Not prorated for employees working in California, Illinois, Louisiana and North Dakota.

The payout calculation is rounded up to the next half-day if less than a half or full day (full day for exempt employees because of federal law). In California, Illinois, Louisiana and North Dakota, all accrued but unused days must be paid out.

For example

If you have 15 unused days in your PTO Bank and your employment with Aetna terminates in September, you would receive payment for 75% of your unused accrued PTO Bank time. That would equal 11.25 days, rounded up to 11.5 days as a payout.

Employees whose jobs are eliminated under the terms of the Severance and Salary Continuation Benefits Plan will be paid 100% of unused accrued PTO Bank time, to a maximum of 25 days.

If you leave

If the company or one of its affiliates (a) transfers your job function or transfers an operation in which you are or could be employed to a successor entity or transferee, or (b) spins off or otherwise separates a part of the company or an affiliate *and* as part of the transaction, the transferee or successor entity assumes liability for all or a portion of accrued but unused PTO Bank time, any PTO Bank time transferred with you to the new entity will reduce the 25-day PTO Bank time maximum for which you will be paid.

D00365

Managed Short-Term Disability Benefits Plan

The Managed Short-Term Disability (STD) Plan provides continuation of an amount of base pay to eligible employees who become ill or injured for an extended period of time.

Eligibility

You are eligible if you are a regular employee, employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first of the month, participation begins on that day. Participation is automatic and no enrollment is necessary. Managed STD eligibility stops when your employment with Aetna terminates.

The amount of your STD benefit depends on your length of service and base pay. For designated special-leverage employees, the STD benefit is based on the higher of your base pay or up to \$160,000 of eligible pay. See the definition of eligible pay under *Managed Long-Term Disability Benefits Plan*, page 12, in this section of this handbook.

The waiting period

The first five consecutive workdays you are absent (one week) due to an illness or injury is the managed STD waiting period. Those days are paid out of your PTO Bank. If your PTO Bank balance is zero, you are not paid for the first five consecutive workdays of your absence. To qualify for managed STD benefits, your disability — including the five-workday waiting period — must be certified by Managed Disability Services.

The number of PTO Bank days that you must use to cover the waiting period is adjusted if your work schedule is other than five days per week. For example, if you work a four-day work schedule, the first four consecutive work days of an absence will come out of your PTO Bank.

Defining “disability” — Once you have satisfied the waiting period, managed STD benefits may begin on the sixth workday. To be eligible, you must be unable to perform the material duties of your own occupation, except that if you start work at a reasonable occupation you no longer will be deemed disabled. The disability must be medically certified by Managed Disability Services. Also, if Managed Disability Services identifies you as a candidate for rehabilitation, you must participate in Aetna's mandatory rehabilitation program to receive benefits.

Aetna's Chronic Condition Management program

Aetna's Chronic Condition Management program provides an alternative method of satisfying the managed STD waiting period. If you are medically certified under the program, you will be eligible for managed STD benefits once you have five intermittent days of absence due to a disabling chronic or disabling pregnancy-related condition. Your medically certified, intermittent days of absence must be due to the same or a related condition and not separated by more than 90 consecutive calendar days. The initial five days

must be covered with your PTO Bank days, if available. Subsequent, related disability absences will be paid as managed STD, if medically certified.

For example, if you have a disabling chronic condition and, as a result of that condition, miss two days of work in January, three in February and two in March, you would, under the paid time-off program, have to cover all seven days with PTO Bank time, because the disability absences do not satisfy the five-consecutive-day waiting period for managed STD benefits. Under the Chronic Condition Management program, however, you will qualify for managed STD benefits after the January and February absences (total of five days), as long as you meet the following requirements:

- You must submit all necessary documentation to Total Health and Disability Services (TH & DS) on a timely basis.
- You must have a chronic or pregnancy-related "serious health condition" as defined under Aetna's Family and Medical Leave policy and the federal Family and Medical Leave Act (see *Family and Medical Leave* in the "Personal Benefits" section of this handbook or visit the web at *AHR Online*).
- You must meet the definition of disability under Aetna's managed STD plan (see "Defining disability" on page 6).
- Your medically certified, intermittent days of absence must be due to the same or a related condition and not separated by more than 90 consecutive calendar days.
- If your periods of absence due to the same or a related condition are separated by more than 90 consecutive calendar days, you will have to use another five days from your PTO Bank before you qualify for managed STD benefits.

Participation in Aetna's Chronic Condition Management program is strictly voluntary. To apply, complete a *Request For Acceptance Into Aetna's Chronic Condition Management Program* form and have your health care provider complete the necessary medical forms. Forms and further information are available on *AHR Online*. You also can request this information by contacting Total Health and Disability Services (TH & DS) at 1-800-AETNA-HR (1-800-238-6247).

How to request disability benefits

You must first call your manager whenever you are absent and have not made arrangements beforehand.

Nonwork-related injury or illness

Notify your manager that you will be absent from work, then call Managed Disability Services at 1-800-AETNA-HR (1-800-238-6247). If you work a Monday-through-Friday five-day workweek, call as soon as you know you will be absent for longer than five workdays, but not later than the sixth consecutive workday of the absence. If you work any other schedule, call on the sixth consecutive business day of the illness or injury. If you call after hours, you can leave a message. If your nonwork-related disability is not reported within 31 days following the first day of your illness or injury, managed STD benefits may be denied. If you are already enrolled in Aetna's Chronic Condition Management program, call Total Health and Disability Services (TH & DS) at 1-800-AETNA-HR (1-800-238-6247) on the first day of an absence that is due to your disabling chronic or disabling pregnancy-related condition.

Work-related injury or illness

Notify your manager as soon as possible (after receiving any emergency medical assistance), then call 1-800-AETNA-HR (1-800-238-6247) — even if you aren't sure that the illness or injury will cause you to miss work — and select the appropriate option. If you call after hours, you can leave a message. If you are already enrolled in Aetna's Chronic Condition Management program, call 1-800-AETNA-HR (1-800-238-6247) on the first day of an absence that is due to your disabling chronic condition.

Ergonomics program

The ergonomics program is available to you for assistance with any muscle discomfort that affects you in your work environment, whether you have lost time or not. At the first sign of a problem, call 1-800-AETNA-HR (1-800-238-6247) and ask to speak to an ergonomics consultant, or send an e-mail to Ergonomics Consulting. If you also are working with a case manager, the ergonomics consultant will coordinate any special needs for return to work with you and the case manager.

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What the plan pays

After the five-workday waiting period, the managed STD plan pays an amount of your base pay for up to 25 weeks. The amount of the payment depends on your length of service. The chart below shows how managed STD benefits are calculated.

Managed STD benefits on a per-disability basis

If you become disabled during your	You receive 100% of base pay	You receive 60% of base pay
1st partial or 1st full calendar year of employment*	For first 2 weeks	For next 23 weeks
2nd through 5th full calendar year of employment	For first 8 weeks	For next 17 weeks
6th through 10th full calendar year of employment	For first 18 weeks	For next 7 weeks
11th full calendar year of employment and beyond	For 25 weeks	N/A

*For example, for an employee who was hired on June 1, 1998:

- June 1, 1998 through December 31, 1998 = first *partial* calendar year
- January 1, 1999 through December 31, 1999 = first *full* calendar year
- January 1, 2000 through December 31, 2000 = second *full* calendar year

If you have a flexible work arrangement, managed STD benefits are adjusted based on your work schedule. Your manager can provide additional information.

All certified periods of absence due to the same or related illness or injury that are separated by 90 consecutive calendar days or less will be counted as a single period of disability. This is known as a successive disability and means that you will not have to use another five days from your PTO Bank before qualifying for managed STD benefits. Managed STD benefits

will begin immediately. You must call 1-800-AETNA-HR (1-800-238-6247) and select the appropriate option on the first day of your absence to report a successive disability. Once you have received managed STD benefits for 25 weeks in total, your benefits will end, and you may be eligible to receive managed long-term disability (LTD) benefits.

Once your certified period of disability has ended, if you begin a new, unrelated disability or if you have a recurrence of a previous disability after more than 90 consecutive calendar days have elapsed, you will be required to use another five days from your PTO Bank before qualifying for managed STD benefits.

If a holiday occurs during a certified period of disability, you will receive managed STD benefits (at 100% or 60%, as applicable) for the holiday. In other words, you will not receive holiday pay for that day.

Using your PTO Bank to supplement managed STD benefits

Managed STD benefits can drop from 100% to 60% of base pay, depending on your years of service (see the chart under *What the plan pays*). If that occurs, you may choose to supplement these benefits with unused, accrued paid time off from your PTO Bank to ensure 100% base pay continuation.

For example, if you become disabled during your fourth full calendar year of employment and you receive managed STD benefits for 12 weeks, your benefit provides 100% of base pay for the first eight weeks of certified disability and then 60% of base pay for the next four weeks of certified disability. You may choose to receive the remaining 40% of base pay from your PTO Bank for part or all of these four weeks, until the PTO Bank is depleted. You must notify your manager no later than one month after dropping to 60% if you want to use PTO Bank time for this purpose.

Coordination of managed STD benefits with other income

Under the managed STD plan, benefits are coordinated with other disability income benefits for which you are eligible and wages you receive. That means these other disability benefits and wages will be subtracted from the managed STD benefits the plan provides.

Other disability benefits include:

- State disability benefits (California, Hawaii, New Jersey, New York and Rhode Island have state plans).
- Workers' Compensation wage replacement benefits.
- Other state-mandated disability benefits (such as no-fault insurance benefits).

In addition, managed STD benefits will be reduced by the following:

- Wages or pay you receive from any source.
- Salary continuation and severance benefits paid to you by Aetna because of termination of employment due to re-engineering, reorganization or staff reduction under the Severance and Salary Continuation Benefits Plan.

When managed STD benefits end

Managed STD benefits end on the earliest date that you:

- Return to work or are no longer certified as disabled by Managed Disability Services.
- Cease or refuse to participate in the rehabilitation program.
- Start work at a reasonable occupation.
- Refuse to have an independent medical exam, when requested.
- Qualify for managed LTD benefits.
- Have received managed STD benefits for a maximum period of continuous disability of 25 weeks.
- Start an approved leave of absence (other than a certified and approved employee medical leave of absence).
- Voluntarily or involuntarily terminate employment with Aetna.

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Special circumstances

The following circumstances may affect your eligibility for managed STD benefits.

If you are:	This is what happens:
An active employee who becomes ill or injured	You may be eligible for managed STD benefits after a qualifying period of five consecutive workdays of disability and may subsequently become eligible for managed LTD benefits
On unpaid leave of absence (other than a certified and approved employee medical leave)	You are not eligible for STD benefits if you become disabled while on such leave of absence
On a certified and approved employee medical leave	If you become disabled under the terms of the managed STD plan during the leave, you are eligible to apply for managed STD benefits and may become eligible for managed LTD benefits
Receiving managed benefits and become eligible for job elimination benefits under the Severance and Salary Continuation Benefits Plan	Your managed STD benefits will be reduced by salary continuation and severance benefits paid to you under the Severance and Salary Continuation Benefits Plan
Receiving severance pay or the additional 17 weeks of salary continuation due to job elimination	You are not eligible for managed STD benefits if you become disabled while on severance or the additional 17 weeks of salary continuation

Transition issues

If you are:	This is what happens:
An employee with Aetna sick pay or U.S. Healthcare STD benefits who is on sick pay or short-term disability as of January 1, 1999	You will be covered under the Aetna or U.S. Healthcare plan in effect on December 31, 1998, until you return to work for one full day, performing all of the material duties of your own occupation
A NYLCare employee who is on sick pay as of January 1, 1999	You will be covered under the NYLCare plan in effect on December 31, 1998, until you return to work for one full day, performing all of the material duties of your own occupation

D00370

How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

D00371

Managed Long-Term Disability Benefits Plan

Aetna's Managed Long-Term Disability (LTD) Benefits Plan provides benefits for a certified disability that continues beyond 26 weeks.

Eligibility

You are eligible if you are a regular employee, employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

The plan provides company-paid LTD benefits equal to 50% of eligible pay. Other sources of income (such as Social Security disability benefits) are taken into consideration to determine the benefit you receive. See *Coordination with other benefits income* in this section of the handbook for details.

If you are eligible, participation is automatic and no enrollment is required. Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first of the month, participation begins on that day. If you happen to be both disabled and away from work on the date your coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. This rule also applies to an increase in coverage.

Your coverage under the Managed LTD Plan ends once your employment with Aetna terminates. However, if you become ill before your employment terminates and your illness becomes disabling during the 12 months following your termination, contact Managed Disability Services at 1-800-AETNA-HR (1-800-238-6247). You may be eligible for managed LTD benefits. In addition, you are not covered if you become disabled while you are on an unpaid leave of

absence (other than a certified and approved employee medical leave) or while receiving severance benefits or the additional 17-week salary continuation benefits under the severance and salary continuation benefits plan. Your LTD coverage ends:

- When the group contract terminates as to the coverage.
- When you no longer are eligible for coverage.

"Eligible pay" defined for the current plan year

If you have completed two or more years of service as of September 1 of the prior plan year, eligible pay is your base pay as of September 1 of the prior year, plus your total averaged annual performance-related bonuses, overtime and shift differential paid during the two-year period before that September 1.

If you have *not* completed two years of service as of September 1 of the prior plan year, eligible pay is your base pay as of September 1 of the prior year, plus your total performance-related bonuses, overtime and shift differential paid during the two-year period before September 1.

If you were hired on or after September 1 of the prior plan year, eligible pay is your base pay as of your date of hire.

Your eligible pay will not change throughout the calendar year unless your base pay changes as a result of a change in your scheduled work hours.

D00372

To receive benefits, you first must meet a 26-week waiting period. This period includes the five-workday waiting period and the subsequent 25 weeks of managed STD benefits. For more information about the first 26 weeks of disability, please see *Managed STD* on page 6 in this section.

In determining whether you've met the 26-week waiting period, Managed Disability Services counts all certified periods of absence due to the same illness or injury that are separated by 90 consecutive calendar days or less as a single period of disability.

Providing ongoing evidence of disability

During the period that you are receiving LTD benefits, you and your doctor must provide ongoing evidence of your continued disability to Managed Disability Services.

During the first 24 months of a disability

During the first 24 months that you are disabled, you and your doctor must provide evidence that you are unable to perform the material duties of your own occupation; however, if you start work at any reasonable occupation, you no longer will be deemed disabled. This 24-month period *includes* the five-day waiting period and the subsequent 25 weeks of managed STD benefits. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits.

Beyond 24 months of a disability

For LTD benefits to continue beyond the first 24 months, you and your doctor must provide evidence that you are unable to perform the duties of *any reasonable occupation*. In other words, you must be unable to perform any work for which you are otherwise qualified based on your education, training or experience. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits.

Successive disabilities

Once your certified period of disability has ended, if you become disabled again, your LTD benefits will be resumed immediately if your disability is due to the same or a related cause, and your disability occurs within 90 consecutive calendar days.

Pre-existing condition limitation

You will not be eligible for LTD benefits if you become disabled before LTD coverage begins or during the first 12 months you are covered by the plan if, within three months before your LTD coverage began, the cause of your disability was diagnosed or treated; you received services for the illness or injury; or you took drugs or medicines prescribed or recommended by a physician for the condition claimed.

Tax information

Company-paid LTD benefits are paid on a taxable basis. This means your LTD benefits are subject to federal, state and local income taxes, if applicable, when you receive them. You have the option of receiving LTD benefits on a nontaxable basis. For more information, please see *Optional long-term disability benefits* on page 17 in this section.

When LTD benefits are not paid

You are not eligible for benefits from the long-term disability benefits plan for a disability that occurs from:

- An intentional injury to yourself.
- Any injury caused by war, riot or civil commotion.
- Chronic use of alcohol.
- Use of certain narcotics.
- Any injury from your criminal involvement in an assault, battery or felony.

D00374

How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

Coordination with other income

LTD benefits are coordinated with other income. That means the other income will be subtracted from the LTD benefit the plan provides. This other income includes:

- Social Security benefits (your benefit as well as any family benefits). To coordinate with Social Security benefits, your LTD benefit will be reduced by the full amount of your primary and family benefit.
- Workers' Compensation.
- Other disability income plans (excluding an individual policy you may have on your own).
- Retirement or pension plan benefits. Your LTD benefit will not be reduced by the amount of certain retirement or disability benefits you were receiving before the start date of a certified period of disability. See *When LTD benefits end* in this section if you are considering receiving your pension benefits from the Aetna Pension Plan.
- Wages or pay you receive from any source (excluding vacation pay or paid time off).
- Salary continuation and severance benefits paid to you by Aetna under the Severance and Salary Continuation Benefits Plan because of termination of employment due to re-engineering, reorganization or staff reduction.

If you have questions about what is considered "other income," call 1-800-AETNA-HR (1-800-238-6247). Managed Disability Services also can help you apply for other disability benefits, such as Social Security. Also, once your LTD benefit is determined, the company will not decrease the benefits paid because of any future cost-of-living increases in Social Security payments or other government disability benefits being paid to you.

D00375

Effect on other benefits

When you begin receiving LTD benefits, your other Aetna benefits are affected as follows:

- Your contributions for any medical or dental coverage in place at the time of disability will be deducted from your LTD benefit.
- Company-paid life insurance will remain in effect at the amount in effect on your last day worked. If you are approved for premium waiver, any Employee GUL coverage you have prior to receiving LTD benefits will continue, with your premiums waived to age 65. If you are not approved for premium waiver, you may continue coverage, with your monthly premiums deducted from your LTD benefit.
- Spousal GUL and Child(ren) Term Life Insurance may continue with premiums deducted from your LTD benefit.
- AD&D coverage will continue for 12 months from the start of an absence, with premiums deducted from your LTD benefit. Coverage terminates at the end of the 12-month period.
- Any LTD premiums associated with optional LTD coverage will be waived.

Health care spending accounts may continue for up to 18 months from the date LTD benefits begin, and you will be billed directly. Contributions will be on an after-tax basis and are subject to governmental rules under COBRA.

- Dependent care spending account contributions will end. You may file claims for expenses for care which was received before contributions ended.
- Long term care coverage can continue, but will be billed on a monthly basis by Aetna U.S. Healthcare's Long Term Care department.
- You will earn credited service and 50% of eligible pay under the pension plan's new cash balance formula. If you are an Aetna Transition Participant in the pension plan (see the definition in the "Pension Plan" section of this handbook), you will continue to earn credited service and the greater of 50% of eligible pay or 100% of base pay under both the final average pay and cash balance formulas. For more information about pension benefits, see the "Pension Plan" section of this handbook.
- Incentive Savings Plan (ISP) contributions stop.

When LTD benefits end

LTD benefits end when the first of the following events occurs:

- You die during the disability period.
- You no longer are certified as disabled by Managed Disability Services.
- You refuse or cease to participate in the rehabilitation program.
- You begin receiving benefits from the Aetna Pension Plan.
- You reach age 65. However, if you are age 60 or older when LTD benefits start, your LTD benefits will stop at the end of the period of time required by law.

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Special circumstances

If you were out of work on sick pay/short-term disability when the 1999 disability program became effective on January 1, 1999, and become approved to receive LTD benefits, you will be covered by the LTD plan that was in effect when your disability began (as amended from time to time).

If you were out of work on LTD when the 1999 disability program became effective on January 1, 1999, you will be covered by the LTD plan in effect at the time your disability began (as amended from time to time). If you return to work after January 1, 1999, and your disability recurs from the same or a related cause within 90 days of your return to work, you will be covered under the plan in effect when your disability began (as amended from time to time).

Optional long-term disability benefits

Your options

In addition to company-paid LTD benefits received on a taxable basis, you have additional options. You may elect to:

- Receive your company-paid LTD benefit on a non-taxable basis. This means your LTD benefits are not subject to federal taxes and some state and local taxes when you receive them.
- Purchase an additional 10% of LTD coverage, which will provide a total benefit equal to 60% of your eligible pay on either a taxable or nontaxable basis.
- Purchase an additional 16-2/3% of LTD coverage, which will provide a total benefit equal to 66-2/3% of your eligible pay on a taxable basis.

Your LTD options at a glance

If you elect to receive the company-paid LTD benefit (50%) on a taxable basis, you may **either**:



Elect an additional 10% of coverage, for a total of 60% received on a taxable basis.	OR	Elect an additional 16-23% of coverage for a total of 66-2/3% received on taxable basis.
--	----	--

OR

If you elect to receive the company-paid LTD benefit (50%) on a nontaxable basis, you may **only**:

Elect an additional 10% of coverage for a total of 60% received on a nontaxable basis.

If you elect a nontaxable LTD benefit

If you elect to receive your LTD benefit on a nontaxable basis, you will pay taxes on the premium you and Aetna pay for your LTD coverage. As a result, you will not have to pay federal taxes and some state and local taxes on your benefits when you receive them.

Generally, in order to receive LTD benefits on a fully nontaxable basis, you must have paid the tax on all LTD premiums for three years prior to the receipt of your LTD benefits. Otherwise, taxation of the benefit will be prorated for the period in which you did not pay

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tax on the premium. However, if you elect the nontaxable LTD benefit option when it is first offered to you, this three-year period will not apply to you unless you change your election to a taxable basis in the future.

For example

Here's an example that shows the difference between the taxable and nontaxable options. The three columns under "Taxable LTD Benefit" illustrate the effect of paying taxes when you actually receive your LTD benefits.

The two columns under "Nontaxable LTD Benefit" illustrate the option of choosing to pay taxes on the value of premiums. If you choose the second option, you will not have to pay taxes on your benefit at the time you actually receive LTD payments.

Both examples assume an employee, age 37, with eligible pay and annual income of \$45,000. The chart is based on assumptions that apply for 1999.

	Annual income	Taxable LTD Benefit			Nontaxable LTD Benefit	
		50%	60%	66-2/3%	50%	60%
	\$45,000	\$22,500	\$27,000	\$30,002	\$22,500	\$27,000
Taxes						
Federal income tax of 21% ¹	\$9,450	\$2,160	\$3,105	\$3,735	\$0	\$0
FICA tax of 7.65% ²	\$3,443	\$0	\$0	\$0	\$0	\$0
Net income ³	\$32,108	\$20,340	\$23,895	\$26,267	\$22,500	\$27,000
Income replacement ratio ⁴	n/a	63%	74%	82%	70%	84%
Employee monthly cost		\$0	\$5.59	\$11.89	\$0	\$6.60
Additional monthly taxes payable ⁵		n/a	n/a	n/a	\$0.58	\$2.47

¹ Assumes a federal income tax of 21% for the LTD benefit less Social Security Disability Income (SSDI).

² FICA tax does not apply to benefit payments after a six-month period of disability.

³ Monthly Primary Insurance Amount for Social Security Disability Income is \$1,018. This example assumes no tax on SSDI, however, at certain income levels a portion of it may be taxable. Also, net income does not reflect the SSDI offset.

⁴ Income replacement ratio equals LTD benefit net income divided by active annual net income.

⁵ When electing a nontaxable LTD benefit, additional taxes will be payable for the premium Aetna pays and, if applicable, you will pay tax on your portion of the LTD premium.

Evidence of insurability and pre-existing condition limits

New enrollments and increases in your optional LTD coverage are subject to evidence of insurability. In addition, you will not be eligible for optional LTD benefits if you become disabled during the first 12 months covered by the new or increased optional LTD coverage if, within three months before your new or increased optional LTD coverage began, the cause of your disability was diagnosed or treated; you received services for the illness or injury; or you took drugs or medicines prescribed or recommended by a physician for the condition claimed. Subsequent increases in optional LTD coverage also will be subject to this pre-existing condition limit.

If you happen to be both disabled and away from work on the date your optional LTD coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. This rule also applies to an increase in your coverage.

For information about making changes to your LTD coverage, please see *Making changes between annual enrollments* in the front pocket of the "Overview" section of this handbook.

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Other time away from work

Company-paid holidays

Company offices close for eight designated holidays each year. You will be notified of the specific dates before the start of each year.

Jury duty

If you are called for jury duty, you will be granted time off with pay. If the jury duty does not last through the full workday, you'll be expected to return to work. Your pay will not be reduced because of jury duty pay, and your PTO Bank will not be affected.

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Military duty

You may take military leaves of absence for voluntary or involuntary duty in a uniformed service, including active duty, active duty for training, initial active duty training, inactive duty training, full-time National Guard duty, and absence from work for an examination to determine fitness for any such duty. Uniformed services include the Armed Forces (including Reserves), Army and Air National Guard, the commissioned corps of the Public Health Service and any other category of persons designated by the president of the United States in time of war or emergency.

No minimum length of employment is required to request military leave. If you are absent because of military service, you will be placed on a military leave of absence status for the first six months. If your military service extends beyond six months, your employment will be terminated without severance, but you will be entitled to re-employment rights in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA). Refer to the *Personnel Policies and Programs* (PP&P)

for more information about return to work after extended military service.

Military leave pay policies

For periodic, active-duty training, regular employees are eligible to receive full pay for up to one week each calendar year. You can choose to cover any additional days with PTO Bank days or with an unpaid military leave of absence.

As a regular employee, if you are called to active duty for an emergency, you are eligible to receive full pay for up to two weeks each calendar year. If the emergency continues, you receive a pay differential (the difference between military pay and your pay) for up to two additional weeks. Emergency service time beyond four weeks is unpaid (leave of absence status for the first six months) for the duration of the military leave. You may request to be paid for any accrued but unused days in your PTO Bank to a maximum of 25 days.

Refer to the *Personnel Policies & Programs* (PP&P) manual for details about administration of the company's military leave policy.

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Aetna Benefits

Paid Time Off, Disability, and Family and Medical Leave

Aetna provides a variety of programs for paid and unpaid time away from work for eligible employees.

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Paid Time-Off (PTO) Bank

Aetna establishes a Paid Time-Off (PTO) Bank of time each year for eligible employees. This time is yours to use for any reason — such as vacation, family illness, your own incidental illness and personal time. Once you have used all the time in your PTO Bank, additional time off is unpaid. The PTO Bank does not include company holidays, jury duty and military leave, bereavement or company service time.

Eligibility

You are eligible if you are a regular employee employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. However, if your date of hire is the first calendar day of the month, participation begins on that day. Participation is automatic and no enrollment is necessary. If you have a flexible work arrangement, your paid time off is prorated based on your work schedule. Ask your manager for information.

How PTO Bank days accrue

The number of days deposited and accrued each year depends on your years of service and work schedule.

Regular employees working a five-day week and employed on December 31

If you are a regular employee who works a five-day workweek, eight days are deposited as of January 1, provided you are employed actively at work on that day and you were actively employed on December 31. The remaining paid

time-off days accrue from February through November on the first calendar day of the month, as shown on the following schedule.

Years of service*	Days deposited on January 1	Days accrued over the next 10 months**	Total for the year
Fewer than 3	8 days	1/month	18 days
3 to 9	8 days	1.5/month	23 days
10 to 24	8 days	2/month	28 days
25 or more	8 days	2.5/month	33 days

* Service is determined by your service date (adjusted date of hire) and is indicated on your employee profile. The service date calculation includes time employed at Aetna or one of its affiliates, as well as time you were employed as a regular employee at U.S. Healthcare, NYLCare or Prudential HealthCare, provided you were employed there as of the date those companies were acquired by Aetna.

** In January of your third, 10th and 25th service anniversary years, you will become eligible for accrual at the next higher rate.

Other employees

If you fall into one of the following categories, you accrue PTO Bank days according to a different schedule:

- Employees with flexible work arrangements will have PTO Bank deposits that are prorated. See your manager for the accrual schedule that applies to you;
- New employees will accrue PTO Bank days during their first calendar year of employment based on the month in which they are hired. See your manager for the accrual schedule that applies to you;
- Rehired employees will have PTO Bank deposits that reflect prior years of service. During the first calendar year of re-employment, the exact number of days will be based on their service date (adjusted date of hire) and the month in which they are rehired;
- As of January 1 following their date of hire, new and rehired employees will accrue PTO Bank days as other employees with the same years of service and work schedule.

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Employees who work in California, Illinois, Louisiana or North Dakota

If you work in California, Illinois, Louisiana or North Dakota, your PTO Bank balance may not exceed 25 days. Once this maximum is reached, all further deposits cease. PTO Bank accrual resumes after an employee has used PTO Bank time and the balance has dropped below the 25-day maximum. As a result:

- ❑ Employees who have a balance of 25 days in their PTO Bank on January 1 will not receive the eight-day deposit;
- ❑ Employees who have a balance between 18 to 24 days on January 1 will receive a one-time deposit, to bring their balance to 25 days;
- ❑ Employees with fewer than 18 days on January 1 will receive an eight-day deposit.

Using PTO Bank days

To use one of your days, follow your area's policy for requesting scheduled time off. You may take a full day or partial day from your PTO Bank. Your manager will keep a record of your PTO Bank time and the amount of scheduled and unscheduled time you have taken.

You are expected to schedule absences in advance with your manager. This ensures that appropriate coverage can be arranged for your work while you are away. When you have used all your PTO Bank time, any further scheduled time off that year is at your manager's discretion and is unpaid.

Using days before they are accrued

With your manager's approval, you may borrow days not yet accrued in that calendar year. For example, if you have eight PTO Bank days on January 1 and you want to take a 10-day vacation later that month, you may borrow two additional PTO Bank days.

To borrow PTO Bank days before they are accrued, talk with your manager. You will have to sign an agreement to repay the advanced time if your employment with Aetna terminates before the days are accrued.

Carrying days over to the next year

You may carry over up to five unused PTO Bank days from one calendar year into the next, without management approval. You will have 12 months to use them. Any additional unused days (over the five allowed) remaining on December 31 will be forfeited. (Note: Special rules apply to employees in California, Illinois, Louisiana and North Dakota.)

If you are on an unpaid leave of absence

If you are on an unpaid leave of absence, you do not accrue one month's PTO Bank deposit for each 20 consecutive working days you are out. This calculation will differ for employees working a schedule other than a five-day week. (In California, see your human resources contact to discuss the application of this policy.)

If you are on a certified disability leave

You will continue to accrue PTO Bank time while you are certified and receiving managed short-term disability (STD) benefits and/or Workers' Compensation, subject to the rule on carrying only five days over to the next year. Also, if you are not considered to be actively at work on January 1, you will not receive the eight-day deposit until you return to work for one full day. (This deposit will not be prorated.)

At the time you are certified and approved for managed long-term disability (LTD) benefits, you will be paid for all accrued, unused time in your PTO Bank. The amount you receive will not be prorated. Once LTD benefits begin, your PTO accrual ends.

When employment ends

If your employment with Aetna terminates, the value of up to 25 of your PTO Bank days — including carry-over days — may be payable to you. The payout is a percentage of the value of your unused, accrued PTO Bank time and depends on when you leave the company. The schedule below shows these percentages.

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If you leave in **You receive this percentage of unused, accrued time***

1st calendar quarter	25%
2nd calendar quarter	50%
3rd calendar quarter	75%
4th calendar quarter	100%

* Not prorated for employees working in California, Illinois, Louisiana and North Dakota

The payout calculation is rounded up to the next half-day if less than a half or full day (full day for exempt employees because of federal law). In California, Illinois, Louisiana and North Dakota, all accrued but unused days will be paid out.

For example:

If you have 15 unused days in your PTO Bank and your employment with Aetna terminates in September, you will receive payment for 75% of your unused, accrued PTO Bank time. That equals 11.25 days, rounded up to 11.5 days as a payout.

Employees who receive job elimination benefits under the terms of the Severance and Salary Continuation Benefits Plan will be paid 100% of unused, accrued PTO Bank time, to a maximum of 25 days.

Managed Short-Term Disability benefits

The managed Short-Term Disability (STD) plan provides continuation of an amount of base pay to eligible employees who become disabled for an extended period of time.

Eligibility

You are eligible if you are a regular employee employed by a contracting company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees),

individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first calendar day of the month, participation begins on that day. Participation is automatic and no enrollment is necessary. Managed STD eligibility ends when your employment with Aetna terminates.

The amount of your STD benefit depends on your length of service and base pay. For designated special-leverage employees, the STD benefit is based on the higher of your base pay or up to \$170,000 of eligible pay. See the definition of eligible pay under Managed Long-Term Disability benefits, page 10, in this section of the handbook.

The waiting period

If you work a five-day workweek, the first five consecutive workdays you are absent due to an illness or injury is the managed STD waiting period. Those days are paid out of your PTO Bank. If your PTO Bank balance is zero, you are not paid for the first five consecutive workdays of your absence. To qualify for managed STD benefits, your disability — including the five-workday waiting period — must be certified by Managed Disability Services.

The five-day waiting period and the number of PTO days that you must use to cover the waiting period are adjusted if your work schedule is other than five days per week. For example, if you work a four-day work schedule, the first four consecutive workdays of an absence will come out of your PTO Bank.

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Defining "disability" — Once you have satisfied the waiting period, managed STD benefits may begin on the sixth workday. To be eligible, you and your doctor must provide evidence that you are unable to perform the material duties of your own occupation, except that if you start work at a reasonable occupation, you no longer will be deemed disabled. A reasonable occupation is an occupation you are qualified for based on your education, training and experience. Your disability must be medically certified by Managed Disability Services. Also, if Managed Disability Services identifies you as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program to receive managed STD benefits.

Chronic Condition Management program

Aetna's Chronic Condition Management (CCM) program offers eligible employees who are accepted into the program an alternative method of satisfying the waiting period for managed STD benefits. *Participation in the CCM program is strictly voluntary.*

Normally, managed STD benefits begin after the first five consecutive workdays of disability absence. Participants in the CCM program can satisfy the waiting period with five certified intermittent days of absence due to a disabling chronic or disabling pregnancy-related condition. You still must cover these first five days of disability with PTO Bank time, if available. Any subsequent absences due to the same disabling chronic or pregnancy-related condition, if certified, will be covered under the managed STD plan.

To qualify for the program, you must submit all required information to Total Health and Disability Services (TH&DS). You will be accepted into the program only if TH&DS determines that you satisfy the following criteria:

1. You have a disabling chronic or disabling pregnancy-related "serious health condition" (as defined under Aetna's Family and Medical Leave policy and the federal Family and Medical Leave Act);
2. Your condition causes you to incur full-day absences from work on an intermittent basis; and
3. You meet the disability criteria for benefits under the managed STD plan — in other words, you and your doctor must provide evidence that *on each day of absence*, you were unable, because of your chronic or pregnancy-related condition, to perform all the material duties of your own occupation.

You should submit the required information to TH&DS no later than 15 days after the absence(s) you wish to have certified under the CCM program. If you do not submit this within 31 days following the absence, certification may be denied. After your initial absence(s) have been certified, any additional disability absences due to the same or related condition, up to and including the sixth day of disability absence, must be reported to TH&DS. You also must contact your health care provider on each day that you are absent due to your chronic or pregnancy-related condition in order to have that day considered for certification under the CCM program.

After the five-workday waiting period has been satisfied, any subsequent absences resulting from the same disabling chronic or disabling pregnancy-related condition will be treated as a successive disability under the managed STD plan as long as the absences are medically certified by Managed Disability Services and are not separated by more than 90 consecutive calendar days. If your absences are separated by more than 90 days, you will be required to reapply to the program and satisfy another five-day waiting period.

Acceptance into the CCM program does **not** automatically qualify you for Employee Medical Leave protection under Aetna's Family and Medical Leave (FML) policy. You must meet the specific eligibility requirements for FML leave (12 months of service and 1,000 hours of work in the 12 months preceding the leave) and must not have previously exhausted your leave allotment.

D00387

For more information about the CCM program, including how and when to apply, visit *AHR Online* at <http://aetnet.aetna.com/ahrnet/forms/data/CCMWEBdocs.doc>. You can also request this information by contacting TH&DS at 1-800-AETNA-HR (1-800-238-6247).

How to request disability benefits

Be sure to call your manager whenever you are absent and have not made arrangements beforehand.

Nonwork-related injury or illness

Notify your manager that you will be absent from work, then call Managed Disability Services at 1-800-AETNA-HR (1-800-238-6247). If you work a five-day workweek, call as soon as you know you will be absent for more than five workdays, but not later than the sixth consecutive workday of the absence. If you work any other schedule, call on the sixth consecutive business day of the illness or injury. If you call after hours, you can leave a message. If your nonwork-related disability is not reported within 31 days following the first day of your illness or injury, managed STD benefits may be denied. If you are already enrolled in Aetna's CCM program, call TH&DS at 1-800-AETNA-HR (1-800-238-6247) to report additional dates of absence due to your disabling chronic or disabling pregnancy-related condition up to and including the sixth absence day.

Work-related injury or illness

Notify your manager as soon as possible (after receiving any necessary emergency medical assistance), then call 1-800-AETNA-HR (1-800-238-6247) — even if you aren't sure that the illness or injury will cause you to miss work — and select the appropriate option for Aetna's Workers' Compensation. If you call after hours, you can leave a message.

Ergonomics program

The ergonomics program is available to you for assistance with any muscle discomfort that affects you in your work environment, whether you have lost time or not. At the first sign of a problem, call 1-800-AETNA-HR (1-800-238-6247) and ask to speak to an ergonomics consultant, or send an e-mail to

"Ergonomic Consulting." If you also are working with a case manager, the ergonomic consultant will coordinate any special needs for return to work with you and the case manager.

What the plan pays

After the five-workday waiting period, the managed STD plan pays an amount of your base pay for up to 25 weeks. The amount of the payment depends on your length of service. The chart below shows how managed STD benefits are calculated.

Managed STD benefits on a per-disability basis

If you become disabled during your	You receive 100% of base pay	You receive 60% of base pay
First partial calendar year of employment	For first 2 weeks	For next 23 weeks
First full calendar year of employment	For first 2 weeks	For next 23 weeks
Second through fifth full calendar year of employment	For first 8 weeks	For next 17 weeks
Sixth through tenth full calendar year of employment	For first 18 weeks	For next 7 weeks
11th full calendar year of employment and beyond	For 25 weeks	N/A

Unless your date of hire is January 1, the year that you are hired is considered your first partial calendar year of employment.

For example:

For an employee who was hired on June 1, 1998:
 June 1, 1998 through December 31, 1998 = first *partial* calendar year of employment
 January 1, 1999 through December 31, 1999 = first *full* calendar year of employment
 January 1, 2000 through December 31, 2000 = second *full* calendar year of employment

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If you have a flexible work arrangement, managed STD benefits are adjusted based on your work schedule. Your manager can provide additional information.

All certified periods of absence due to the same illness or injury that are separated by 90 calendar days or less will be counted as a single period of disability. This is known as a successive disability and means that you will not have to use another five days from your PTO Bank before qualifying for managed STD benefits. Managed STD benefits will resume immediately, once your absences are certified. You must call Managed Disability Services at 1-800-AETNA-HR on the first day of your absence to report a successive disability. Once you have received managed STD benefits for 25 weeks for a single period of disability, your benefits will end. At that time, you may be eligible to receive managed long-term disability (LTD) benefits.

Once your certified period of disability has ended, if you begin a new, unrelated disability, or if you have a recurrence of a previous disability after more than 90 calendar days have elapsed, you will be required to use another five days from your PTO Bank before qualifying for managed STD benefits.

If no pay occurs during a certified period of disability, you will receive managed STD benefits (at 100% or 60%, as applicable) for the no pay. In other words, you will not receive holiday pay for that day. If a holiday occurs during the waiting period, you will not have to use PTO Bank time to cover that day, and the day, if certified, will count toward the waiting period.

Using your PTO Bank to supplement managed STD benefits

Managed STD benefits can drop from 100% to 60% of base pay depending on your years of service (see the chart on page 31 under "What the plan pays"). If that occurs, you may choose to supplement these benefits with unused, accrued paid time from your PTO Bank to ensure 100% base pay continuation.

For example, if you become disabled during your fourth full calendar year of employment and you receive managed STD

benefits for 12 weeks, you will receive 100% of base pay for the first eight weeks of certified disability and then 60% of base pay for the next four weeks of certified disability. You may choose to receive the remaining 40% of base pay from your PTO Bank for part or all of these four weeks, until the PTO Bank is depleted. You must notify your manager within a month of dropping to 60% if you want to use PTO Bank time for this purpose.

Coordination of managed STD benefits with other income

Under the managed STD plan, benefits are coordinated with other disability-income benefits for which you are eligible (regardless of whether or not you apply) and wages you receive. That means these other disability benefits and wages will be subtracted from your managed STD benefits. Other disability benefits include:

- ▣ State disability benefits (California, Hawaii, New Jersey, New York and Rhode Island have state plans) that you receive or are eligible to receive, regardless of whether you apply for those benefits;
- ▣ Workers' Compensation wage replacement benefits;
- ▣ Other state-mandated disability benefits (such as no-fault insurance benefits);
- ▣ Social Security disability benefits (primary and family).

In addition, managed STD benefits will be reduced by the following:

- ▣ Wages or pay you receive from any source;
- ▣ Salary continuation and severance benefits paid to you by Aetna because of termination of employment due to re-engineering, reorganization or staff reduction under the Severance and Salary Continuation Benefits Plan;
- ▣ Unemployment compensation.

Employees in California

You are required to apply separately with the State of California for California State Disability Insurance (SDI) benefits. Aetna will estimate your California SDI benefit and automatically deduct that amount from your STD benefit, regardless of whether you apply for California SDI. Once you receive

your SDI benefit from the State of California, notify the HR Service Center of the amount you receive so that any necessary adjustments to your STD benefit can be made.

Information about how and when to apply for California SDI is available online at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

Employees in Hawaii, New Jersey and New York
You will be notified if your work state requires additional information in order for you to receive state disability benefits. An overview of these requirements is available online at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

When managed STD benefits end

Managed STD benefits end on the earliest date that you:

- ▣ Return to work or no longer are certified as disabled by Managed Disability Services;
- ▣ Cease to participate or refuse to participate in the rehabilitation program;
- ▣ Start work at a reasonable occupation;
- ▣ Refuse to have an independent medical exam, when requested;
- ▣ Qualify for managed LTD benefits;
- ▣ Have received managed STD benefits for a maximum of 25 consecutive weeks;
- ▣ Start an approved leave of absence (other than a certified and approved employee medical leave of absence);
- ▣ Voluntarily or involuntarily terminate employment with Aetna (other than a termination for which you are eligible for job elimination benefits under Aetna's Severance and Salary Continuation Benefits Plan);
- ▣ Become confined in a penal or correctional institution for conviction of a criminal or other public offense.

When managed STD coverage ends

Managed STD coverage ends on the earliest date that you:

- ▣ Voluntarily or involuntarily terminate employment with Aetna;
- ▣ Are no longer eligible for coverage.

Special circumstances

The following circumstances may affect eligibility for managed STD benefits.

If you are:

This is what happens:

An active employee who becomes ill or injured

You may be eligible for managed STD benefits after a qualifying period of five consecutive workdays of disability and may subsequently become eligible for managed LTD benefits.

On unpaid leave of absence (other than a certified and approved employee medical leave)

You are not eligible for STD benefits if you become disabled while on such leave of absence.

On a certified and approved employee medical leave

If you become disabled under the terms of the managed STD plan during the leave, you are eligible to apply for managed STD benefits and may become eligible for managed LTD benefits.

Receiving managed STD benefits and become eligible for job elimination benefits under the Severance and Salary Continuation Benefits Plan

Your managed STD benefits will be reduced by salary continuation and severance benefits paid to you under the Severance and Salary Continuation Benefits Plan.

Receiving severance pay or the additional 17 weeks of salary continuation due to job elimination

You are not eligible for managed STD benefits if you become disabled while on severance or the additional 17 weeks of salary continuation.

Transition issues

If you are a former Prudential HealthCare (PHC) employee who became disabled between and including August 6, 1999 and September 20, 1999, you will be covered under the Aetna/PHC Transition Benefit plans in effect on August 6, 1999 until you return to work for one full day, performing all of the material duties of your own occupation.

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How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

Managed Long-Term Disability benefits

Aetna's managed Long-Term Disability (LTD) plan provides benefits for a certified disability that continues beyond 26 weeks.

Eligibility

You are eligible if you are a regular employee employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

If you are eligible, participation is automatic and no enrollment is required. Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first of the month, participation begins on that day. If you happen to be both disabled and away from work on the date your coverage would take effect, your coverage will not take effect until you return to work for one full day performing all of the material duties of your own occupation. This rule also applies to an increase in coverage.

Your coverage under the managed LTD plan ends once your employment with Aetna terminates. However, if your coverage terminates during a certified period of disability that began while you had coverage, LTD benefits will be available as long as your certified period of disability continues. In addition, you are not covered if you become disabled while you are on an unpaid leave of absence (other than a certified and approved long-term medical leave) or while receiving severance benefits

or the additional 17-week salary continuation benefits under the Severance and Salary Continuation Benefits Plan.

When LTD coverage ends

LTD coverage ends when the first of the following events occurs:

- Your employment terminates;
- You are no longer eligible for coverage;
- You cease to make any required contribution;
- When the group contract terminates.

"Eligible pay" defined for the current plan year

If you have completed two or more years of service as of September 1 of the prior plan year, eligible pay is your base pay as of September 1 of the prior year, plus your total averaged annual performance-related bonuses, overtime and shift differential paid during the two-year period before that September 1.

If you have *not* completed two years of service as of September 1 of the prior plan year, eligible pay is your September 1 base pay as of September of the prior year, plus your total performance-related bonuses, overtime and shift differential paid during the two-year period before September 1.

If you were hired or rehired on or after September 1 of the prior plan year, eligible pay is your base pay as of your date of hire.

Your eligible pay will not change throughout the calendar year unless your base pay changes as a result of a change in your scheduled work hours.

To receive benefits, you must first meet a 26-week waiting period. This period includes the five-workday waiting period and the subsequent 25 weeks of managed STD benefits. For more information about the first 26 weeks of disability, please see *Managed Short-Term Disability benefits* on page 5 in this section.

In determining whether you have met the 26-week waiting period, Managed Disability Services counts all certified periods

of absence due to the same illness or injury that are separated by 90 calendar days or less as a single period of disability.

Providing ongoing evidence of disability

To receive LTD benefits, you and your doctor must provide evidence of your continued disability to Managed Disability Services. In addition, you may be required to be examined by an independent physician, at the plan's expense. If you refuse such examination, your benefits may be denied.

During the first 24 months of a disability

During the first 24 months that you are disabled, you and your doctor must provide evidence that you are unable to perform the material duties of your own occupation. (If you start work at an *reasonable occupation*, you no longer will be deemed disabled.) This 24-month period includes the five-day STD waiting period, 25 weeks of managed STD benefits and 18 months of managed LTD benefits. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits. If you refuse to participate in rehabilitation, your benefits may be denied.

Beyond 24 months of a disability

For LTD benefits to continue beyond the first 24 months (five-day waiting period, 25 weeks of managed STD benefits and 18 months of managed LTD benefits), you and your doctor must provide evidence that you are unable to perform the duties of an *reasonable occupation*. In other words, you must be unable to perform any work for which you are otherwise qualified based on your education, training or experience. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits. If you refuse to participate in rehabilitation, your benefits may be denied.

Successive disabilities

Once your certified period of disability has ended, if you become disabled again, your LTD benefits will be resumed immediately if your disability is certified by Managed

Disability Services, is due to the same or a related cause, and occurs within 90 consecutive calendar days.

Pre-existing condition limitation

You will not be eligible for LTD benefits if you become disabled before LTD coverage begins or during the first 12 months you are covered by the plan if, within three months before your LTD coverage began:

- ▣ The cause of your disability was diagnosed or treated;
- ▣ You received services for the illness or injury; or
- ▣ You took drugs or medicines prescribed or recommended by a physician for the condition claimed.

Tax information

Company-paid LTD benefits are paid on a taxable basis. This means your LTD benefits are subject to federal, state and local income taxes, if applicable, when you receive them. You have the option of receiving LTD benefits on a nontaxable basis. For more information, please see *Optional long-term disability benefits* on page 13 in this section.

When LTD benefits are not paid

You are not eligible for benefits from the LTD plan for a disability that occurs from:

- ▣ An intentional injury to yourself;
- ▣ Any injury caused by war, riot or civil commotion;
- ▣ Chronic use of alcohol;
- ▣ Use of certain narcotics;
- ▣ Any injury from your criminal involvement in an assault, battery or felony.

How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

Coordination with other income

LTD benefits are coordinated with other income and, when LTD and other income are combined, they cannot exceed:

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100% of your pre-disability eligible pay. The other income will be subtracted from the LTD benefit the plan provides. Other income includes:

- Social Security benefits (your benefit as well as any family benefits). To coordinate with Social Security benefits, your LTD benefit will be reduced by the full amount of your primary and family benefit;
- Workers' Compensation;
- Other disability income plans (excluding an individual policy you may have on your own);
- Retirement or pension plan benefits. Your LTD benefit will not be reduced by the amount of certain retirement or disability benefits you were receiving before the start date of a certified period of disability. See *When LTD benefits end* on page 13 in this section if you are considering receiving your pension benefits from the Aetna Pension Plan;
- Wages or pay you receive from any source (excluding vacation pay or paid time off);
- Salary continuation and severance benefits paid to you by Aetna under the Severance and Salary Continuation Benefits Plan because of termination of employment due to re-engineering, reorganization or staff reduction;
- 70% of any income received in a rehabilitation program;
- State (California, Hawaii, New Jersey, New York and Rhode Island) or federally mandated disability benefits that you receive or are eligible to receive, regardless of whether you apply for those benefits;
- Unemployment compensation benefits;
- Retirement benefits under the federal Social Security Act, Railroad Retirement Act, Canada Pension Plan and the Quebec Pension Plan;
- Automatic no-fault replacement benefits to the extent required by law.

If you have questions about what is considered "other income," call Total Health and Disability Services (TH&DS) at 1-800-AETNA (1-800-638-6247). Also, once your LTD benefit is determined, the company will not decrease the benefits paid because of any future cost-of-living increases in Social Security payments or other government disability benefits

being paid to you. For detailed information about state disability benefits, including how and when to apply, visit *AHR Online* at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

Effect on other benefits

When you begin receiving LTD benefits, your other Aetna benefits are affected as follows:

- Medical or dental coverage in place at the time of disability may continue with required contributions deducted from your LTD payments.
- Company-paid life insurance will remain in effect at the amount in effect on your last day worked. If you are approved for premium waiver, any employee GUL coverage you have prior to receiving LTD benefits will continue, with your premiums waived to age 65. If you are not approved for premium waiver, you may continue coverage, with your monthly premiums deducted from your LTD benefit.
- Spousal GUL and Child(ren) Term Life Insurance may continue with premiums deducted from your LTD benefit.
- AD&D coverage will continue for 12 months from the start of your disability absence, with premiums deducted from your LTD benefit. Coverage terminates at the end of the 12-month period.
- Any LTD premiums associated with optional LTD coverage will be waived.
- Health care spending accounts may continue for up to 18 months from the date LTD benefits began, and you will be billed directly. Contributions will be on an after-tax basis and subject to governmental rules under COBRA.
- Dependent care spending account contributions will end. You may file claims for the expenses for care that was received before contributions ended.
- Long-term care coverage can continue, but will be billed on a monthly basis by Aetna U.S. Healthcare's Long-Term Care department.
- You will earn credited service and 50% of eligible pay under the pension plan's new cash balance formula. If you are an Aetna Transition Participant in the pension plan (see the definition in the "Pension Plan" section of this hand-

book), you will continue to earn credited service and the greater of 50% of eligible pay or 100% of base pay under both the final average pay and cash balance formulas. For more information about pension benefits, see the "Pension Plan" section of this handbook.

- Incentive Savings Plan (ISP) contributions stop.
- All accrued, unused PTO Bank time will be paid to you, and you will cease to accrue PTO Bank time.

When LTD benefits end

LTD benefits end when the first of the following events occurs:

- You die during the disability period.
- You no longer are certified as disabled by Managed Disability Services.
- You refuse or cease to participate in the rehabilitation program.
- You begin receiving benefits from the Aetna Pension Plan.
- You reach age 65. However, if you are age 60 or older when LTD benefits start, your LTD benefits will stop at the end of the period of time required by law.
- You cease to be under the care of a physician.
- You refuse to be examined by an independent physician.
- You start work at a reasonable occupation.
- You are confined in a penal or correctional institution for conviction of a criminal or other public offense.

Special circumstances

If you were out of work on sick pay/short-term disability when the 1999 disability program became effective on January 1, 1999, and become approved to receive LTD benefits, you will be covered by the LTD plan that was in effect when your disability began (as amended from time to time).

If you were out of work on LTD when the 1999 disability program became effective on January 1, 1999, you will be covered by the LTD plan in effect at the time your disability began (as amended from time to time). If you return to work after January 1, 1999, and your disability recurs from the same or unrelated cause within 90 days of your return to work, you will

be covered under the plan in effect when your disability began (as amended from time to time).

Transition issues

If you are a former Prudential HealthCare employee and were not actively at work on September 20, 1999, your Aetna managed LTD benefits do not take effect until you return to work for one full day performing all of the material duties of your occupation.

Optional long-term disability benefits

Your options

In addition to company-paid LTD benefits received on a taxable basis, you have additional options. You may elect to:

- Receive your company-paid LTD benefit on a nontaxable basis. This means your LTD benefits are not subject to federal taxes and some state and local taxes when you receive them;
- Purchase an additional 10% of LTD coverage, which will provide a total benefit equal to 60% of your eligible pay on either a taxable or nontaxable basis;
- Purchase an additional 16-2/3% of LTD coverage, which will provide a total benefit equal to 66-2/3% of your eligible pay on a taxable basis.

Your LTD options at a glance

If you elect to receive the company-paid LTD benefit (50%) on a taxable basis, you may **either**:

- Elect an additional 10% of coverage for a total of 60% received on a taxable basis, **or**
- Elect an additional 16-2/3% of coverage, for a total of 66-2/3% received on a taxable basis.

OR

If you elect to receive the company-paid LTD benefit (50%) on a nontaxable basis, you may **only**:

- Elect an additional 10% of coverage for a total of 60% received on a nontaxable basis.

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If you elect a nontaxable LTD benefit

If you elect to receive your LTD benefit on a nontaxable basis, you will pay taxes on the premium you and Aetna pay for your LTD coverage. As a result, you will not have to pay federal taxes and some state and local taxes on your benefits when you receive them. Generally, in order to receive LTD benefits on a fully nontaxable basis, you must have paid the tax on all LTD premiums for three years prior to the receipt of your LTD benefits. Otherwise, taxation of the benefit will be prorated for the period in which you did not pay tax on the premium. However, if you elect the nontaxable LTD benefit option when it is first offered to you, this three-year period will not apply to you unless you change your election to a taxable basis in the future.

For example:

Here's an example that shows the difference between the taxable and nontaxable options. The three columns under "Taxable LTD Benefit" illustrate the effect of paying taxes when you actually receive your LTD benefits.

The two columns under "Nontaxable LTD Benefit" illustrate the option of choosing to pay taxes on the value of premiums. If you choose the second option, you will not have to pay taxes on your benefit at the time you actually receive LTD payments.

Both examples assume an employee, age 37, with eligible pay and annual income of \$45,000. The chart is based on assumptions that apply for 2000.

Evidence of insurability and pre-existing condition limits

New enrollments and increases in your optional LTD coverage are subject to evidence of insurability. In addition, you will not be eligible for LTD benefits if you become disabled during the first 12 months covered by the new or increased LTD coverage if, within three months before your new or increased coverage began, the cause of the disability was diagnosed or treated; you received services for the illness or injury; or you took drugs or medicines prescribed or recommended by a physician for the condition claimed.

		Taxable LTD Benefit			Nontaxable LTD Benefit	
		50%	60%	65-2/3%	50%	60%
Annual income	\$ 45,000	\$ 22,500	\$ 27,000	\$ 30,002	\$ 22,500	\$ 27,000
Taxes						
Federal income tax of 21%	\$ 9,450	\$ 2,160	\$ 3,105	\$ 3,735	\$ 0	\$ 0
FICA tax of 7.65%	\$ 3,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net income	\$ 32,108	\$ 20,340	\$ 23,895	\$ 26,267	\$ 22,500	\$ 27,000
Income replacement ratio	n/a	63%	74%	82%	70%	84%
End of six month cost		\$ 0	\$ 5.59	\$ 11.89	\$ 0	\$ 6.60
End of one month taxes payable		n/a	n/a	n/a	\$.58	\$ 2.47

1. Federal income tax of 21% for the LTD benefit less Social Security Disability Income (SSDI).

2. Tax on Aetna LTD benefit payments after a six-month period of disability.

3. Monthly Premium Insurance Amount for Social Security Disability Income is \$1,019. This example assumes no tax on SSDI; however, at certain income levels, the SSDI may be taxable. Also, net income does not reflect the SSDI offset.

4. Income replacement ratio equals LTD benefit net income divided by active annual net income.

5. Electing a nontaxable LTD benefit, additional taxes will be payable for the premium Aetna pays and, if applicable, you will pay tax on your LTD premium.

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Subsequent increases in optional LTD coverage also will be subject to this pre-existing condition limit.

If you happen to be both disabled and away from work on the date your optional LTD coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. This rule also applies to an increase in your coverage.

For information about making changes to your LTD coverage, please see *Valid status changes* in the "Overview" section of this handbook.

Other time away from work

Company-paid holidays

Company offices close for eight designated holidays each year. You will be notified of the specific dates before the start of each year.

Jury duty

If you are called for jury duty, you will be granted time off with pay. If the jury duty does not last through the full workday, you will be expected to return to work. Your pay will not be reduced because of jury duty pay, and your PTO Bank will not be affected.

Military duty

You may take military leaves of absence for voluntary or involuntary duty in a uniformed service, including active duty, active duty for training, initial active duty training, inactive duty training, full-time National Guard duty, and absence from work for an examination to determine fitness for any such duty. Uniformed services include the Armed Forces (including Reserves, Army, and Air National Guard), the commissioned corps of the Public Health Service and any other category of persons designated by the president of the United States in time of war or emergency.

No minimum length of employment is required to request military leave. If you are absent because of military service, you will be placed on a military leave of absence status for the first six months. If your military service extends beyond six months, your employment will be terminated without severance, but you will be entitled to re-employment rights in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA). Refer to the *Personnel Policies and Programs (PP&P)* manual for more information about return to work after extended military service.

Military leave pay policies

For periodic, active-duty training, regular employees are eligible to receive full pay for up to one week each calendar year. You can choose to cover any additional days with PTO Bank days or with an unpaid military leave of absence.

As a regular employee, if you are called to active duty for an emergency, you are eligible to receive full pay for up to two weeks each calendar year. If the emergency continues, you receive a pay differential (the difference between military pay and your pay) for up to two additional weeks. Emergency service time beyond four weeks is unpaid (leave of absence status for the first six months) for the duration of the military leave. You may request to be paid for any accrued but unused days in your PTO Bank to a maximum of 25 days (this payout will not be prorated).

Refer to the *Personnel Policies & Programs (PP&P)* manual for details about administration of the company's military leave policy.

Family and medical leave

For qualifying events, Aetna's Family and Medical Leave (FML) policy allows eligible employees to take family leave, family medical leave and employee medical leave up to a total of 16 weeks in a rolling 12-month period — with the assurance of the same or an equivalent position upon return to work.

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Eligibility

You are eligible to take a leave under Aetna's Family and Medical Leave (FML) policy for a qualifying event if you have at least 12 months (not necessarily consecutive) of service and have worked at least 1,000 hours in the 12 months immediately before the leave begins.

Your time away from work does not count toward the 1,000 hours of work requirement. However, certain time away from work, such as certified disability leave, PTO Bank days and military leave, will count toward the 12 months of service requirement. In addition, time you have worked at Aetna as a temporary employee (including time you worked at Aetna through a temporary agency) will count toward both the 12 months of service and 1,000 hours of work requirements.

Your manager determines whether you meet the eligibility requirements for leave. If you notify your manager of the need for FML leave before you meet the eligibility requirements, he or she can tell you when you will become eligible for leave.

If you are a regular employee scheduled to work at least 15 hours a week and have less than 12 months of service, you are eligible for only limited leave protection. Please see *Limited leave protection for first-year employees* on page 21 of this section of the handbook.

Leaves available under the Aetna FML policy

Three types of leave are available under Aetna's FML policy: family leave, family medical leave and employee medical leave.

Family leave

You may take an unpaid family leave for the birth and care of your newborn or for adoption of your child or for foster care of a child placed with you. Family leave is available to both men and women and must be taken within the first 12 months after the child is born, adopted or placed with you.

In some cases, a family leave can begin before the foster care placement or adoption of a child occurs. For example, family leave may be used for time spent attending mandatory counseling sessions, appearing in court and consulting with an attorney on a placement or adoption.

You may take family leave on an intermittent or reduced leave schedule basis if your manager agrees and it is consistent with business needs. Whether you take family leave all at once (for example, immediately after the birth of a child) or on an intermittent or reduced leave schedule basis, the leave must be taken within 12 months of the birth, adoption or foster care placement.

Intermittent leave is leave taken in separate blocks of time due to a single qualifying reason. A *reduced leave schedule* reduces your usual number of working hours per workweek or per workday for a period of time (for example, four hours a day for three weeks).

Family medical leave

You may take an unpaid family medical leave if a health care provider determines that you are needed to care for an eligible family member with a serious health condition. Eligible family members include:

- ▣ Spouse;
- ▣ Domestic partner;
- ▣ Your child, including a child for whom you are *in loco parentis*;
- ▣ Child of your domestic partner;
- ▣ Parent, including an adult who was *in loco parentis* for you as a child;
- ▣ Parent-in-law;
- ▣ Parent of your domestic partner;
- ▣ Member of your household.

In loco parentis means "in the place of a parent." It refers to a person who raises another individual or acts as a parent.

Examples of situations for which family medical leave is available:

- Your family member with a serious health condition is unable to care for his or her own basic medical, hygienic or nutritional needs or safety, or is unable to transport him- or herself to the doctor.
- Providing psychological comfort and reassurance would be beneficial to a family member with a serious health condition who is receiving inpatient or home care.
- You are needed to fill in for others who are caring for your family member with a serious health condition, or to make arrangements for changes in care, such as transfer to a nursing home.

You may take family medical leave on an intermittent or reduced leave schedule basis when your family member's health care provider determines that such leave is medically necessary.

Employee medical leave

You may take employee medical leave for your own serious health condition. Your health care provider must find that because of your serious health condition, you are unable to work at all or are unable to perform any one of the essential functions of your position.

If your absence is certified under Aetna's Chronic Condition Management (CCM) program or managed short-term disability (STD) plan, it automatically is certified for employee medical leave beginning on the first day of your absence, and will be counted against your 16-week allotment, provided you are eligible for leave. For more information about the CCM program, managed STD benefits and managed LTD benefits, see those headings in this chapter of the handbook.

If your absence is not certified by Managed Disability Services for managed STD benefits (either because you did not meet the five-day waiting period for benefits or because managed STD benefits were denied), you may apply separately for employee medical leave approval. You must request leave protection within two business days after you return to

work or receive notice that managed STD benefits have been denied, and you must submit the required medical information to Total Health and Disability Services (TH&DS) within 15 days of your request for leave. If you have PTO Bank time available, you must use that time to cover the employee medical leave. If your PTO Bank balance is zero, the leave will be unpaid.

Your manager determines whether you have met the eligibility requirements for employee medical leave. TH&DS only determines if the medical information submitted by your health care provider indicates a serious health condition.

Definitions

Serious health condition — A serious health condition is an illness, injury, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider as defined below:

Inpatient care — Inpatient care is an overnight stay in a hospital, hospice or residential medical care facility, including any period of incapacity (the inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment for or recovery from such a condition) or any subsequent treatment in conjunction with inpatient care.

Continuing treatment by a health care provider — A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

- A period of incapacity of more than three consecutive calendar days and any subsequent treatment or period of incapacity relating to the same condition *that also involves*:
 - Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by, a health care provider; or
 - Treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider;

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- Any period of incapacity due to pregnancy or for prenatal care;
- Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one that:
 - Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - Continues over an extended period of time (including recurring episodes of a single underlying condition); or
 - May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy);
- A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. You or your family member must be under the continuing supervision of, but need not be receiving treatment by, a health care provider. Examples include a severe stroke, the terminal stages of a disease or Alzheimer's disease;
- Any period of absence to receive multiple treatments (including any period of recovery from such treatments) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer chemotherapy, radiation), severe arthritis (physical therapy), or kidney disease (dialysis).

Treatment includes examinations to determine if a serious health condition exists and evaluations of the condition. It does not include routine physical examinations, eye examinations or dental examinations. An example of a "regimen of continuing treatment" would be a course of prescription medication, such as an anticoagulant, or a therapy requiring special treatment, such as oxygen, to resolve or alleviate the health condition. A regimen of continuing treatment that can be initiated without a visit to a health care provider — such as taking insulin or antacid tablets or drinking fluids — is not suffi-

cient by itself to constitute a regimen of continuing treatment for the purpose of FML leave.

Restorative dental or plastic surgery after injury or removal of cancerous growths may be a serious health condition if all other conditions of the definition are met. Allergies also may be serious health conditions if all the conditions of the definition are met.

Substance abuse may be a serious health condition if the conditions of the definition are met. However, FML leave may be taken only for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. An absence because of use of the substance — rather than for treatment — does not qualify for FML leave.

Absences attributable to a period of incapacity due to pregnancy or prenatal care or due to a chronic serious health condition may qualify for FML leave, even though you or your family member does not receive treatment from a health care provider during the absence and the absence does not last more than three days.

Exceptions

Certain conditions do not qualify as serious health conditions for the purpose of FML leave:

- Conditions for which cosmetic treatments are administered, such as treatment for acne or plastic surgery, unless inpatient care is required or complications develop;
- Unless complications arise, the common cold, flu, ear-aches, upset stomachs, minor ulcers, headaches (other than migraines), routine dental or orthodontia problems and periodontal disease.

Intermittent leave or reduced leave schedule

You may take employee medical leave intermittently or on a reduced leave schedule basis when medically necessary for:

- Planned or unplanned medical treatment of a related serious health condition by, or supervised by, a health care provider;
- Recovery from treatment or recovery from your serious health condition.

Examples of intermittent and reduced leave schedule include:

- Intermittent leave for a serious health condition requiring periodic treatment by a health care provider for periods from one hour to several weeks — such as occasional leave for medical appointments or for several days at a time over a period of months for chemotherapy;
- A pregnant employee may take intermittent leave for prenatal examinations or for periods of severe morning sickness;
- Reduced leave schedule if you are recovering from a serious health condition and are not strong enough to work a full-time schedule;
- Intermittent or reduced leave schedule if you are incapacitated or unable to perform the essential functions of your position because of a chronic serious health condition, even if you do not receive treatment by a health care provider during your absence.

Leave for other situations

In addition to family leave, family medical leave and employee medical leave described in the preceding sections, Aetna's FML policy allows you to take leave for other situations for which protected leave is available under state or local law. Depending on applicable law, these situations may include time off for children's educational events, bone marrow donations or care of a family member without a serious health condition.

Length of leave allowed

During any 12-month period, you may take a total of 16 weeks of job-protected family leave, family medical leave and employee medical leave. If you take a leave for more than one qualifying event, all time is combined over the rolling 12-month period.

If you use your 16-week leave allotment and need more time away from work, your manager has the discretion to extend your family leave or family medical leave for up to six months, including your protected leave period. Any additional discretionary leave time is not protected under the law or Aetna's policy. For example, you would not be guaranteed a job when you return.

If your pregnancy-related disability leave exceeds the 16-week allotment, the entire pregnancy-related disability leave will be protected as long as your condition remains medically certified by Managed Disability Services or, if managed short-term disability (STD) benefits are not payable, by Total Health and Disability Services (TH&DS).

In several states, such as California, Oregon, Connecticut and New Jersey, laws regarding family and medical leave may afford you additional leave protection. Contact your manager or local human resources professional for information about leave available under your state's law.

Concurrent leaves

Leaves taken under the FML policy run concurrently with any leave periods for which benefits are paid under the managed STD or LTD plans, and with any similar leave required under federal, state or local law, including:

- Workers' Compensation;
- State disability plans;
- State and local laws governing disability leave policies, such as pregnancy-related disability leaves;
- Time away from work for participation in children's educational events, bone marrow transplants, care of a child without a serious health condition and other situations for which protected leave is available under state or local law.

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Effect on benefits and pay

Leaves of several days generally will not affect your benefits. If you take a longer leave, the following will apply:

- Medical, dental, employee Group Universal Life (GUL), Spousal GUL and Child(ren) Term Life insurance, optional AD&D and optional LTD: Benefits continue as long as you pay directly your share of the cost during any unpaid portion of your leave. While on a certified and approved unpaid FML leave, you will be billed and pay premiums with after-tax dollars. If you fail to make these contributions, your coverage will be canceled for nonpayment, retroactive to the first of the month in which payment was not made;
- Health care spending account: Participation continues as long as you make contributions during any paid or unpaid portion of your leave. While on an approved unpaid FML leave, you will be billed and make contributions with after-tax dollars. If you fail to make these contributions, participation will be canceled for nonpayment, retroactive to the first of the month in which payment was not made;
- Dependent care spending account: Participation continues during any paid portion of your leave;
- Company-paid term life and company-paid AD&D continue while you are on paid or unpaid FML leave. Business travel accident insurance does not continue;
- Managed STD or LTD: If you're on an unpaid family leave or unpaid family medical leave and become disabled, you're not eligible for managed STD or LTD benefits. If you are on a certified and approved employee medical leave and are not initially certified for managed STD benefits, you will be eligible to apply for managed STD benefits and may be eligible for managed LTD benefits once you provide Managed Disability Services with acceptable medical certification of your disability;
- 401(k) You may not contribute to the Incentive Savings Plan, 401(k) during periods of unpaid FML leave. However, your account will remain invested in the plan;
- PTO Bank: If you are on an unpaid FML leave, you will not accrue one month's PTO Bank time for each 20 consecutive workdays you are on leave. (In California, talk to your

human resources representative before applying this policy). In addition, if you are not considered actively at work on January 1, when an annual deposit of days otherwise would be made to your PTO Bank, you will not receive the deposit until you return to work for at least one full day;

- Length of service: Time on paid or unpaid FML leave counts toward PTO Bank accrual rates, pension service and service awards;
- Other contributions and deductions: During an unpaid FML leave, any contributions to United Way and Combined Health Appeal stop. Also, savings bond deductions stop, and you will be refunded any accumulated contributions that have not been used to purchase a bond.

Using PTO Bank days to cover unpaid FML leave

Family leave and family medical leave

Ordinarily, your family leave or family medical leave will be unpaid. However, you may elect to cover part or all of your protected leave with PTO Bank time, if available. The PTO Bank time will run concurrently with the family leave or family medical leave.

Employee medical leave

The first five workdays of an employee medical leave that are certified under the CCM program or by Managed Disability Services for managed STD benefits must be covered by your PTO Bank time, if available. If no PTO Bank time is available, the first five workdays of your leave will be unpaid. Any employee medical leave that is not certified by Managed Disability Services for managed STD benefits must be covered by PTO Bank time, if available. If no PTO Bank time is available, the leave will be unpaid.

Job protection

You are guaranteed the same or an equivalent position as long as you return to work by the end of your protected 16-week leave period or at the end of a pregnancy-related disability leave or statutory leave that is longer than 16 weeks, as long as your position has not been eliminated because of changed business conditions. If your position has been elimi-

rated because of changed business conditions, the company may not discriminate against you in the selection or deselection process because of your protected leave. If your medical condition prevents you from returning to the same or an equivalent position, other positions or accommodations will be explored.

After your first 12 months of employment, an absence due to a certified and approved leave covered by the company's FML policy will not be used for disciplinary purposes unless your combined FML leaves exceed 16 weeks in a rolling 12-month period. Pregnancy-related absences approved by Managed Disability Services for benefits under the managed STD plan or, if TH&DS for employee medical leave are protected, even if they exceed the 16-week leave allotment, as are leaves mandated by state or local law. These certified and approved absences will not be counted under your department's attendance guidelines for disciplinary reasons.

If you do not return to work at the end of a certified and approved family leave, family medical leave or employee medical leave (including any additional period that has been certified for managed STD benefits), your action will be considered a voluntary termination of employment.

Limited leave protection for first-year employees

If you are a regular employee scheduled to work at least 15 hours a week and have less than 12 months of service, you are eligible for only limited leave protection. Your position or an equivalent position will be held open for you until you return from a period of disability of up to 13 weeks (not necessarily consecutive, as long as the disability has been certified and approved for managed STD benefits by Managed Disability Services. This absence still is subject to disciplinary action under your department's attendance guidelines. First-year employees whose absences (other than pregnancy-related absences) have not been certified and approved for managed STD benefits are not eligible for this limited leave protection and should not seek protection of these absences under the regular employee medical leave certification process.

First-year employees also are entitled to job-protected pregnancy disability leave as long as their disability absences are certified and approved for managed STD benefits or, if managed STD benefits are not payable, as long as the absences are medically certified by TH&DS through the employee medical leave certification process. If certified, these absences are not subject to disciplinary action under your department's attendance guidelines.

How to receive approval for a leave

You and your manager have specific responsibilities when requesting and acknowledging the request for a leave.

Family leave — no medical certification required

Your responsibility

You should request a family leave at least 30 days before the leave begins, if the need for leave is foreseeable. If the need is not foreseeable, you must make your request within a reasonable time of the family leave event, but no later than two business days after returning to work. Your request for protected leave may be denied if it is not made on a timely basis.

To make your request, you must submit to your manager a *Family Leave and Family Medical Leave Request and Acknowledgment* form with side one completed. Your manager may request evidence of your need for family leave, such as a birth certificate or adoption award.

Your manager's responsibility

Your manager must complete side two of the *Family Leave and Family Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receipt of your verbal or written request for family leave.

Family medical leave — medical certification required within 15 days after you request leave

Your responsibility

You should request a family medical leave at least 30 days before the leave begins if the need for leave is foreseeable. If the need is not foreseeable, you must make your request

within a reasonable time of the family medical leave event, but no later than two business days after returning to work. Your request for protected leave may be denied if it is not made on a timely basis.

To make your request, you must submit to your manager a *Family Leave and Family Medical Leave Request and Acknowledgment* form with side one completed. You also must have your family member's health care provider complete a *Family Medical Leave Statement of Health Care Provider* form and submit it to your manager within 15 calendar days of the date you gave verbal or written notice of your need for family medical leave. Your request for protected leave may be denied if it is not made on a timely basis.

Your manager's responsibility

Your manager must complete side two of the *Family Leave and Family Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receipt of your verbal or written request for family medical leave.

Employee medical leave — medical certification required within 15 days after you request leave

Your responsibility

You should request an employee medical leave at least 30 days before the leave begins if the need for leave is foreseeable. For example, if you are pregnant and need to attend regularly scheduled prenatal appointments, the need for leave is foreseeable. You should submit a request for the time you will spend attending the appointments.

If the need for leave is not foreseeable, you must make your request within a reasonable time of the employee medical leave event, but no later than two business days after returning to work from an illness or injury that is less than six consecutive workdays. If the absence is more than five consecutive workdays and managed STD benefits have been denied by Managed Disability Services, you must make your request

within two business days of receiving notice of the denial. (Your notification to your manager of a request for leave is automatic when Managed Disability Services certifies and approves your absence for managed STD benefits.) Your request for leave may be denied if it is not made on a timely basis.

If your leave is not certified by Managed Disability Services for managed STD benefits, you must apply separately for employee medical leave. To apply, complete side one of an *Employee Medical Leave Request and Acknowledgment* form and submit it to your manager, who will review your eligibility for leave. If you are eligible, you must have your health care provider complete a *Statement of Health Care Provider* form and submit it along with a copy of the completed *Employee Medical Leave Request and Acknowledgment* form, with side one completed, to Total Health and Disability Services (TH&DS) within 15 calendar days of the date you gave your manager verbal or written notice of your need for leave. Failure to submit these forms to TH&DS on a timely basis may result in a denial of your employee medical leave request.

Your manager's responsibility

Upon receiving your request for leave, your manager will review your eligibility for leave. If you are not eligible, your manager will complete side two of the *Employee Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receipt of your verbal or written request for employee medical leave.

If you are eligible for leave, your manager will complete side two of the *Family Leave and Family Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receiving notice that your absence is the result of a serious health condition.

You do not need to complete side one of the *Employee Medical Leave Request and Acknowledgment* form or submit a *Statement of Health Care Provider* form to TH&DS if your

absence has been certified under the CCM program or the managed STD plan. In that case, your manager will be notified that the absence is medically certified for employee medical leave. Your manager will then review your eligibility for leave, complete side two of the *Employee Medical Leave Request and Acknowledgment* form and give the form to you no later than two business days after receiving notice of your certified and approved disability leave.

If your absence is certified as resulting from a serious health condition, your manager must grant the request for leave and count it as protected time *if you are eligible for leave*, unless a second medical opinion is requested and paid for by Aetna. Before returning to work from a certified employee medical leave, you may be required to submit information from your health care provider to TH&DS indicating you are able to resume work.

If you have questions about Aetna's FML policy, see your manager or human resources professional, or call 1-800-AETNA-HR (1-800-238-6247).

The federal FMLA compared to Aetna's FML policy

The company's FML policy is designed to comply with the requirements of the federal Family and Medical Leave Act (FMLA) of 1993 and similar state and local leave laws. Where specific state or local requirements are more generous than Aetna's policy, the leave provisions mandated by state or local law will govern. In some respects, Aetna's FML policy is more generous than federal, state and local requirements.

The following chart compares key provisions of the federal FMLA and Aetna's FML policy.

Federal FMLA

Employers must provide eligible employees with up to 12 weeks of job-protected leave in any 12-month period.

Employees are eligible if they have at least 12 months of service and have worked at least 1,250 hours in the 12 months immediately before the leave begins.

Family medical leave is available to eligible employees to care for a spouse, son, daughter or parent with a serious health condition.

Aetna's FML policy

Aetna provides eligible employees with up to 16 weeks of job-protected leave in a rolling 12-month period.

Employees are eligible if they have at least 12 months of service and have worked at least 1,000 hours in the 12 months immediately before the leave begins.

Family medical leave is available to eligible employees to care for a spouse, domestic partner, child, child of a domestic partner, parent, parent-in-law, parent of a domestic partner or household member with a serious health condition.

For more information about the federal FMLA, contact the nearest office of the U.S. Department of Labor, Wage and Hour Division, which is generally listed in telephone directories under U.S. Government, Department of Labor.

If your request for leave is denied

Employee medical leave

If TH&DS determines that your absence is not the result of a serious health condition as defined in Aetna's FML policy or under applicable federal, state or local leave laws, you may appeal the determination by mailing a request for reconsideration to TH&DS or faxing your request to 1-860-273-7397 within 15 days after receiving notice of the denial of medical certification. TH&DS will review your written request and notify you in writing of the decision within 30 days.

*Employee medical leave, family leave,
family medical leave*

If your manager denies your request for employee medical leave, family leave or family medical leave, contact your local human resources professional. You may appeal the matter further through the company's resolution process, which is described in the *Personnel Policies and Programs Manual* page 88.

**California family care and medical leave
and pregnancy disability leave**

Under the California Family Rights Act of 1993 (CFRA), if you have more than 12 months of service and have worked at least 1,250 hours in the 12-month period before the date you want to begin your leave, you may have the right to an unpaid family care or medical care leave (CFRA leave). This leave may be for up to 12 workweeks in a 12-month period for the birth, adoption or foster care placement of your child, or for your own serious health condition or that of your child, parent or spouse.

If you are not eligible for CFRA leave, but you are disabled because of pregnancy, childbirth or related medical conditions, you are entitled to a pregnancy disability leave of up to four months, depending on your period of actual disability. If you are CFRA eligible, you have certain rights to take both a pregnancy disability leave and a CFRA disability leave for the same or different periods. Both leaves contain a guarantee of reinstatement to the same or a comparable position at the end of the leave, subject to any defense allowed under the law.

If possible, you must provide at least 30 days advance notice for foreseeable events, such as the birth of a child or planned medical treatment. For unforeseeable events, you must notify your manager, at least verbally, as soon as you learn of the need for the leave.

Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until you comply with the requirements.

You may be required to provide medical certification from your health care provider before taking a leave for pregnancy-related disability or your own serious health condition, or from the health care provider of your child, parent or spouse before taking leave to care for that family member with a serious health condition. When medically necessary, leave may be taken on an intermittent or reduced-work schedule basis.

If you are taking leave for the birth, adoption or foster care placement of a child, you may take the leave all at once or on an intermittent basis. The minimum duration of the leave is two weeks, and you must conclude the leave within one year of the birth, adoption or foster care placement. Contact your human resources professional for more details.

Taking a family care or pregnancy-related disability leave may affect certain benefits. For more information regarding your eligibility for a leave and/or the effect of the leave on your benefits, contact your local human resources professional.

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Life

Aetna Benefits

PAID TIME OFF, DISABILITY, AND FAMILY AND MEDICAL LEAVE

Aetna provides a variety of programs for paid and unpaid time away from work for eligible employees.

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PAID TIME-OFF BANK

Aetna establishes a Paid Time-Off (PTO) Bank of time each year for eligible employees. This time is yours to use for any reason — such as vacation, family illness, your own incidental illness and personal time. Once you have used all the time in your PTO Bank, additional time off is unpaid. The PTO Bank does not include company holidays, jury duty and military leave, bereavement or community service time.

Eligibility

You are eligible if you are a regular employee employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. However, if your date of hire is the first calendar day of the month, participation begins on that day. Participation is automatic and no enrollment is necessary. If you happen to be both disabled and away from work on the day your participation takes effect, you will not be eligible to use PTO Bank time until you return to work for one full day. If you have a flexible work arrangement, your paid time off is prorated based on your work schedule. Ask your manager for information.

How PTO Bank days accrue

The number of days deposited and accrued each year depends on your years of service and work schedule.

Regular employees working a five-day week and employed on December 31

If you are a regular employee who works a five-day workweek, eight days are deposited as of January 1, provided you are considered actively at work on that day and you were actively employed on December 31. The remaining paid time-off days accrue from February through November on the first calendar day of the month as shown on the following schedule.

Fewer than 3	8 days	1/month	18 days
3 to 9	8 days	1.5/month	23 days
10 to 24	8 days	2/month	28 days
25 or more	8 days	2.5/month	33 days

* Service is determined by your service date (adjusted date of hire) and is indicated on your employee profile. The service date calculation includes time employed at Aetna or one of its affiliates, as well as time you were employed as a regular employee at U.S. Healthcare, NYLCare or Prudential HealthCare, provided you were employed there as of the date those companies were acquired by Aetna.

**In January of your third, 10th and 25th service anniversary years, you will become eligible for accrual at the next higher rate.

Other employees

If you fall into one of the following categories, you accrue PTO Bank days according to a different schedule:

- Employees with flexible work arrangements will have PTO Bank deposits that are prorated. The proration is based on an employee's work schedule. See your manager for the accrual schedule that applies to you;
- New employees will accrue PTO Bank days during their first calendar year of employment based on the month in which they are hired. See your manager for the accrual schedule that applies to you;
- Rehired employees will have PTO Bank deposits that reflect prior years of service. During the first calendar year of re-employment, the exact number of days will be based on their service date (adjusted date of hire) and the month in which they are rehired;
- As of January 1 following their date of hire, new and rehired employees will accrue PTO Bank days as other employees with the same years of service and work schedule.

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Employees who work in California, Illinois, Louisiana or North Dakota

If you work in California, Illinois, Louisiana or North Dakota, your PTO Bank balance may not exceed 25 days. Once this maximum is reached, all further deposits cease. PTO Bank accrual resumes after an employee has used PTO Bank time and the balance has dropped below the 25-day maximum. As a result:

- Employees who have a balance of 25 days in their PTO Bank on January 1 will not receive the eight-day deposit;
- Employees who have a balance between 18 to 24 days on January 1 will receive a one-time deposit, to bring their balance to 25 days;
- Employees with fewer than 18 days on January 1 will receive an eight-day deposit.

Using PTO Bank days

To use one of your days, follow your area's policy for requesting scheduled time off. You may take a full day or partial day from your PTO Bank. Your manager will keep a record of your PTO Bank time and the amount of scheduled and unscheduled time you have taken.

(See Aetna's *Guide to Flexibility* at <http://aetnet.aetna.com/ahmet/manuals/guide-to-flexibility/index.htm> for information on the calculation of PTO for flexible work arrangements.

You are expected to schedule absences in advance with your manager. This ensures that appropriate coverage can be arranged for your work while you are away. When you have used all your PTO Bank time, any further scheduled time off that year is at your manager's discretion and is unpaid.

Using days before they are accrued

With your manager's approval, you may borrow days not yet accrued in that calendar year. For example, if you have eight PTO Bank days on January 1 and you want to take a 10-day vacation later that month, you may borrow two additional PTO Bank days.

To borrow PTO Bank days before they are accrued, talk with your manager. You will have to sign an agreement to repay the advanced time if your employment with Aetna terminates before the days are accrued.

Carrying days over to the next year

You may carry over up to five unused PTO Bank days from one calendar year into the next, without management approval. You will have 12 months to use them. Any additional unused days over the five allowed remaining on December 31 will be forfeited.

(Note: Special rules apply to employees in California, Illinois, Louisiana and North Dakota.)

If you are on an unpaid leave of absence

If you are on an unpaid leave of absence, you do not accrue one month's PTO Bank deposit for each 20 consecutive working days you are out. This calculation will differ for employees working a schedule other than a five-day week. (In California, see your human resources contact to discuss the application of this policy.)

If you are on a certified disability leave

You will continue to accrue PTO Bank time while you are certified and receiving short-term disability (STD) benefits and/or Workers' Compensation, subject to the rule on carrying only five days over to the next year. Also, if you are not considered to be actively at work on January 1, you will not receive the eight-day deposit until you return to work for one full day. (This deposit will not be prorated.)

At the time you are certified and approved for long-term disability (LTD) benefits, you will be paid for all accrued, unused time in your PTO Bank. The amount you receive will not be prorated. Once LTD benefits begin, your PTO accrual ends.

When employment ends

If your employment with Aetna terminates, the value of up to 25 of your PTO Bank days — including carry-over days — may be payable to you. The payout is a percentage of the value of your unused, accrued PTO Bank time and depends on when you leave the company. The schedule below shows these percentages.

1st calendar quarter	25%
2nd calendar quarter	50%
3rd calendar quarter	75%
4th calendar quarter	100%

* No proration for employees working in California, Illinois, Louisiana and North Dakota.

The payout calculation is rounded up to the next half-day if less than a half or full day (full day for exempt employees because of federal law). In California, Illinois, Louisiana and North Dakota, all accrued but unused days will be paid out.

For example:

If you have 15 unused days in your PTO Bank and your employment with Aetna terminates in September, you will receive payment for 75% of your unused, accrued PTO Bank time. That equals 11.25 days, rounded up to 11.5 days as a payout.

Employees who receive job elimination benefits under the terms of the Severance and Salary Continuation Benefits Plan will be paid 100% of unused, accrued PTO Bank time, to a maximum of 25 days.

SHORT-TERM DISABILITY BENEFITS

The Short-Term Disability (STD) plan provides continuation of an amount of base pay to eligible employees who become ill or injured for an extended period of time.

Eligibility

You are eligible if you are a regular employee employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first calendar day of the month, participation begins on that day. If you happen to be both disabled and away from work on the date your coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. Participation is automatic and no enrollment is necessary. STD eligibility ends when your employment with Aetna terminates.

The amount of your STD benefit depends on your length of service and base pay. For designated special-leave employees, the STD benefit is based on the higher of your base pay or up to \$170,000 of eligible pay. See the *Definition of eligible pay* under Long-Term Disability benefits in this section of the handbook.

The waiting period

If you work a five-day workweek, the first five consecutive workdays you are absent due to an illness or injury is the STD waiting period. Those days are paid out of your PTO Bank. If your PTO Bank balance is zero, you are not paid for the first five consecutive workdays of your absence. To qualify for STD benefits, your disability — including the five-workday waiting period — must be certified by Aetna Disability Services.

The five-day waiting period and the number of PTO days that you must use to cover the waiting period are adjusted if your work schedule is other than five days per week. For example, if you work a four-day work schedule, the first four consecutive workdays of an absence will come out of your PTO Bank.

Defining "disability"— Once you have satisfied the waiting period, STD benefits may begin on the sixth workday. To be eligible, you and your doctor must provide evidence that you are unable to perform the material duties of your own occupation, except that if you start work at a reasonable occupation, you no longer will be deemed disabled. (A reasonable occupation is an occupation you are qualified for based on your education, training and experience.) Your disability must be medically certified by Aetna Disability Services. Also, if Aetna Disability Services identifies you as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program to receive STD benefits.

Chronic Condition

Management program

Aetna's Chronic Condition Management (CCM) program offers eligible employees who are accepted into the program an alternative method of satisfying the waiting period for STD benefits. Participation in the CCM program is strictly voluntary.

Ordinarily, STD benefits begin after the first five consecutive workdays of disability absence. Participants in the CCM program can satisfy the waiting period with five certified intermittent days of absence due to a disabling chronic or disabling pregnancy-related condition. You still must cover these first five days of disability with PTO Bank time, if available. Any subsequent absences due to the same disabling chronic or pregnancy-related condition, if certified, will be paid under the STD plan.

To apply for the program, you must submit all required information to Total Health and Disability Services (TH&DS). You will be accepted into the program only if TH&DS determines that you satisfy the following criteria:

1. You have a disabling chronic or disabling pregnancy-related "serious health condition" (as defined under Aetna's Family and Medical Leave policy and the federal Family and Medical Leave Act);¹
2. Your condition causes you to incur full-day absences from work on an intermittent basis; and
3. You meet the disability criteria for benefits under the STD plan — in other words, you and your doctor must provide evidence that on each day of absence, you were unable, because of your chronic or pregnancy-related condition, to perform all the material duties of your own occupation.

You should submit the required information to TH&DS no later than 15 days after the absence(s) you wish to have certified under the CCM program. If you do not submit this within 31 days following the absence, certification may be denied. After your initial absence(s) have been certified, any additional disability absences due to the same or related condition, up to and including the sixth day of disability absence, must be reported to TH&DS. You also must contact your health care provider on each day that you are absent due to your chronic or pregnancy-related condition in order to have that day considered for certification under the CCM program.

After the five-workday waiting period has been satisfied, any subsequent absences resulting from the same disabling chronic or disabling pregnancy-related condition will be treated as a successive disability under the STD plan, as long as the absences are medically certified by Aetna Disability Services and are not separated by more than 90 consecutive calendar days. If your absences are separated by more than 90 days, you will be required to reapply to the program and satisfy another five-day waiting period.

¹Acceptance into the CCM program does not automatically qualify you for Employee Medical Leave protection under Aetna's Family and Medical Leave (FML) policy. You must meet the specific eligibility requirements for FML leave (12 months of service and 1,000 hours of work in the 12 months preceding the leave) and must not have previously exhausted your leave allotment.

For more information about the CCM program, including how and when to apply, visit *AHR Online* at <http://aetna.com/ahrnet/forms/data/CCMWEBdcs.doc>.

How to request disability benefits

Be sure to call your manager whenever you are absent and have not made arrangements beforehand.

Nonwork-related injury or illness

Notify your manager that you will be absent from work, then call Aetna Disability Services at 1-800-AETNA-HR (1-800-238-6247). If you work a five-day workweek, call as soon as you know you will be absent for more than five workdays, but not later than the sixth consecutive workday of the absence. If you work any other schedule, call on the sixth consecutive business day of the illness or injury. If you call after hours, you can leave a message. If your nonwork-related disability is not reported within 31 days following the first day of your illness or injury, STD benefits may be denied. If you are already enrolled in Aetna's CCM program, call TH&DS at 1-800-AETNA-HR (1-800-238-6247) to report additional dates of absence due to your disabling chronic or disabling pregnancy-related condition, up to and including the sixth absence day.

Work-related injury or illness

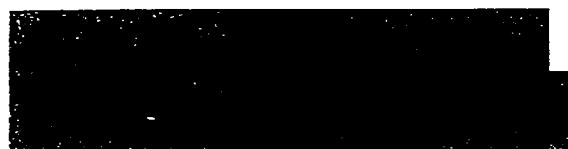
Notify your manager as soon as possible (after receiving any necessary emergency medical assistance), then call Aetna's Workers' Compensation unit at 1-800-AETNA-HR (1-800-238-6247) — even if you aren't sure that the illness or injury will cause you to miss work — and select the appropriate option for Aetna's Workers' Compensation unit. If you call after hours, you can leave a message.

Ergonomics program

The ergonomics program is available to you for assistance with any muscle discomfort that affects you in your work environment, whether you have lost time or not. At the first sign of a problem, call Aetna's Ergonomic Consulting unit at 1-800-AETNA-HR (1-800-238-6247) and ask to speak to an ergonomics consultant, or send an e-mail to "Ergonomic Consulting." If you also are working with a case manager, the ergonomics consultant will coordinate any special needs for return to work with you and the case manager.

What the plan pays

After the five-workday waiting period, the STD plan pays an amount of your base pay for up to 25 weeks. The amount of the payment depends on your length of service. The chart on below shows how STD benefits are calculated.



First partial calendar year of employment ²	For first 2 weeks	For next 23 weeks
First full calendar year of employment	For first 2 weeks	For next 23 weeks
Second through fifth full calendar year of employment	For first 8 weeks	For next 17 weeks
Sixth through tenth full calendar year of employment	For first 18 weeks	For next 7 weeks
11th full calendar year of employment and beyond	For 25 weeks	N/A

If you have a flexible work arrangement, STD benefits are adjusted based on your work schedule. Your manager can provide additional information.

All certified periods of absence due to the same illness or injury that are separated by 90 calendar days or less will be counted as a single period of disability. This is known as a successive disability and means that you will not have to use another five days from your PTO Bank before qualifying for STD benefits. STD benefits will resume immediately, once your absences are certified. You must call Aetna Disability Services at 1-800-AETNA-HR on the first day of your absence to report a successive disability.

² Unless your date of hire is January 1, the year that you are hired is considered your first partial calendar year of employment. For example, for an employee who was hired on June 1, 1998:

June 1, 1998 through December 31, 1998 = first partial calendar year of employment

January 1, 1999 through December 31, 1999 = first full calendar year of employment

January 1, 2000 through December 31, 2000 = second full calendar year of employment

Once you have received STD benefits for 25 weeks for a single period of disability, your benefits will end. At that time, you may be eligible to receive long-term disability (LTD) benefits.

Once your certified period of disability has ended, if you begin a new, unrelated disability, or if you have a recurrence of a previous disability after more than 90 calendar days have elapsed, you will be required to use another five days from your PTO Bank before qualifying for STD benefits.

If a holiday occurs during a certified period of disability, you will receive STD benefits (at 100% or 60%, as applicable) for the holiday. In other words, you will not receive holiday pay for that day. If a holiday occurs during the waiting period, you will not have to use PTO Bank time to cover that day, and the day, if certified, will count toward the waiting period.

Using your PTO Bank to supplement STD benefits

STD benefits can drop from 100% to 60% of base pay, depending on your years of service (see the chart on this page). If that occurs, you may choose to supplement these benefits with accrued, unused paid time off from your PTO Bank to ensure 100% base pay continuation.

For example, if you become disabled during your fourth full calendar year of employment and you receive STD benefits for 12 weeks, you will receive 100% of base pay for the first eight weeks of certified disability and then 60% of base pay for the next four weeks of certified disability. You may choose to receive the remaining 40% of base pay from your PTO Bank for part or all of these four weeks, until the PTO Bank is depleted. You must notify your manager within a month of dropping to 60% if you want to use PTO Bank time for this purpose.

Coordination of STD benefits with other income

Under the STD plan, benefits are coordinated with other disability-income benefits for which you are eligible (regardless of whether or not you apply) and wages you receive. That means these other disability benefits and wages will be subtracted from your STD benefits. Other disability benefits include:

- State disability benefits (California, Hawaii, New Jersey, New York and Rhode Island have state plans) that you receive or are eligible to receive, regardless of whether you apply for those benefits;
- Workers' Compensation wage replacement benefits;

- Other state-mandated disability benefits (such as no-fault insurance benefits);
- Social Security disability benefits (primary and family).

In addition, STD benefits will be reduced by the following:

- Wages or pay you receive from any source;
- Salary continuation and severance benefits paid to you by Aetna because of termination of employment due to re-engineering, reorganization or staff reduction under the Severance and Salary Continuation Benefits Plan;
- Unemployment compensation.

Employees in California or Rhode Island

You are required to apply separately with the State of California for California State Disability Insurance (SDI) benefits or with the State of Rhode Island for Rhode Island Temporary Disability Insurance (TDI). Aetna will estimate your California SDI or Rhode Island TDI benefit and automatically deduct that amount from your STD benefit, regardless of whether you apply for California SDI or Rhode Island TDI. Once you receive your SDI or TDI benefit from California or Rhode Island, notify the HR Service Center at 1-800-AETNA-HR (1-800-238-6247) of the amount you receive so that any necessary adjustments to your STD benefit can be made.

Information about how and when to apply for California SDI or Rhode Island TDI is available online at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

Employees in Hawaii, New Jersey and New York

You will be notified if your work state requires additional information in order for you to receive state disability benefits. An overview of these requirements is available online at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

When STD benefits end

STD benefits end on the earliest date that you:

- Return to work or no longer are certified as disabled by Aetna Disability Services;
- Cease to participate or refuse to participate in the rehabilitation program;
- Start work at a reasonable occupation;
- Refuse to have an independent medical exam, when requested;
- Qualify for LTD benefits;

- Have received STD benefits for a maximum of 25 weeks;
- Start an approved leave of absence (other than a certified and approved employee medical leave of absence);
- Voluntarily or involuntarily terminate employment with Aetna (other than a termination for which you are eligible for job elimination benefits under Aetna's Severance and Salary Continuation Benefits Plan);
- Become confined in a penal or correctional institution for conviction of a criminal or other public offense.

When STD coverage ends

STD coverage ends on the earliest date that you:

- Voluntarily or involuntarily terminate employment with Aetna;
- Are no longer eligible for coverage.

Special circumstances

The following circumstances may affect eligibility for STD benefits.

An active employee who becomes ill or injured

You may be eligible for STD benefits after a qualifying period of five consecutive workdays of disability and may subsequently become eligible for LTD benefits.

On unpaid leave of absence (other than a certified and approved employee medical leave)

You are not eligible for STD benefits if you become disabled while on such leave of absence.

On a certified and approved employee medical leave

If you become disabled under the terms of the STD plan during the leave, you are eligible to apply for STD benefits and may become eligible for LTD benefits.

Receiving STD benefits and become eligible for job elimination benefits under the Severance and Salary Continuation Benefits Plan

Your STD benefits will be reduced by salary continuation and severance benefits paid to you under the Severance and Salary Continuation Benefits Plan.

Receiving severance pay or the additional 17 weeks of salary continuation due to job elimination

You are not eligible for STD benefits if you become disabled while on severance or the additional 17 weeks of salary continuation.

How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

LONG-TERM DISABILITY BENEFITS

Aetna's Long-Term Disability (LTD) plan provides benefits for a certified disability that continues beyond 26 weeks.

Eligibility

You are eligible if you are a regular employee employed by a participating company, normally scheduled to work 15 or more hours a week and not designated a temporary employee. Employees from an outside agency (e.g., leased employees), individuals designated by the company as independent contractors, career agents and brokers are not eligible.

If you are eligible, participation is automatic and no enrollment is required. Generally, participation begins on the first day of the calendar month following your date of hire. If your date of hire is the first of the month, participation begins on that day. If you happen to be both disabled and away from work on the date your coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. This rule also applies to an increase in coverage.

Your coverage under the LTD plan ends once your employment with Aetna terminates. However, if your coverage terminates during a certified period of disability that began while you had coverage, LTD benefits will be available as long as your certified period of disability continues. In addition, you are not covered if you become disabled while you are on an unpaid leave of absence (other than a certified and approved employee medical leave) or while receiving severance benefits or the additional 17-week salary continuation benefits under the Severance and Salary Continuation Benefits Plan.

When LTD coverage ends

LTD coverage ends when the first of the following events occurs:

- Your employment terminates;
- You are no longer eligible for coverage;
- You cease to make any required contribution;
- When the group contract terminates.

Eligible pay defined (for the current plan year)

If you have completed two or more years of service as of September 1 of the prior plan year, eligible pay is your base pay as of September 1 of the prior year, plus your total averaged annual performance-related bonuses, overtime and shift differential¹ paid during the two-year period before that September 1.

If you have not completed two years of service as of September 1 of the prior plan year, eligible pay is your base pay as of September 1 of the prior year, plus your total performance-related bonuses, overtime and shift differential paid during the one-year period before that September 1.

If you were hired or rehired on or after September 1 of the prior plan year, eligible pay is your base pay as of your date of hire.

Your eligible pay will not change throughout the calendar year unless your base pay changes as a result of a change in your scheduled work hours.

To receive benefits, you must first meet a 26-week waiting period. This period includes the five-workday waiting period and the subsequent 25 weeks of STD benefits. For more information about the first 26 weeks of disability, please see *Short-Term Disability benefits* in this section.

In determining whether you have met the 26-week waiting period, Aetna Disability Services counts all certified periods of absence due to the same illness or injury that are separated by 90 calendar days or less as a single period of disability.

Providing ongoing evidence of disability

To receive LTD benefits, you and your doctor must provide evidence of your continued disability to Aetna Disability Services. In addition, you may be required to be examined by an independent physician, at the plan's expense. If you refuse such examination, your benefits may be denied.

During the first 24 months of a disability

During the first 24 months that you are disabled, you and your doctor must provide evidence that you are unable to perform the material duties of your own occupation. (If you start work at any reasonable occupation, you no longer will be deemed disabled.) This 24-month period includes the five-day STD waiting period, 25 weeks of STD benefits and 18 months of LTD benefits. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits. If you refuse to participate in rehabilitation, your benefits may be denied.

Beyond 24 months of a disability

For LTD benefits to continue beyond the first 24 months (five-day waiting period, 25 weeks of STD benefits and 18 months of LTD benefits), you and your doctor must provide evidence that you are unable to perform the duties of any reasonable occupation. In other words, you must be unable to perform any work for which you are otherwise qualified based on your education, training or experience. In addition, if you are identified as a candidate for rehabilitation, you will be required to participate in Aetna's rehabilitation program in order to continue receiving benefits. If you refuse to participate in rehabilitation, your benefits may be denied.

Successive disabilities

Once your certified period of disability has ended, if you become disabled again, your LTD benefits will resume immediately if your disability is certified by Aetna Disability Services, is due to the same or a related cause, and occurs within 90 consecutive calendar days.

Pre-existing condition limitation

You will not be eligible for LTD benefits if you become disabled before LTD coverage begins or during the first 12 months you are covered by the plan if, within three months before your LTD coverage began:

- The cause of your disability was diagnosed or treated;
- You received services for the illness or injury; or
- You took drugs or medicines prescribed or recommended by a physician for that condition.

Tax information

Company-paid LTD benefits are paid on a taxable basis. This means your LTD benefits are subject to federal, state and local income taxes, if applicable,

when you receive them. You have the option of receiving LTD benefits on a nontaxable basis. For more information, please see *Optional long-term disability benefits* in this section.

When LTD benefits are not paid

You are not eligible for benefits from the LTD plan for a disability that occurs from:

- An intentional injury to yourself;
- Any injury caused by war, riot or civil commotion;
- Chronic use of alcohol;
- Use of certain narcotics;
- Any injury from your criminal involvement in an assault, battery or felony.

How to appeal a decision

If you disagree with a decision about your eligibility to receive a benefit or the amount of benefit, you have the right to appeal the decision. See *Your ERISA right to appeal a denied claim* in the "ERISA Rights" section of this handbook for details.

Coordination with other income

LTD benefits are coordinated with other income and, when LTD and other income are combined, they cannot exceed 100% of your pre-disability eligible pay. The other income will be subtracted from the LTD benefit the plan provides. Other income includes:

- Social Security benefits (your benefit as well as any family benefits). To coordinate with Social Security benefits, your LTD benefit will be reduced by the full amount of your primary and family benefit;
- Workers' Compensation;
- Other disability income plans (excluding an individual policy you may have on your own);
- Retirement or pension plan benefits. Your LTD benefit will not be reduced by the amount of certain retirement or disability benefits you were receiving before the start date of a certified period of disability. See *When LTD benefits end* in this section if you are considering receiving your pension benefits from the Aetna Pension Plan;
- Wages or pay you receive from any source (excluding paid time off);
- Salary continuation and severance benefits paid to you by Aetna under the Severance and Salary Continuation Benefits Plan because of termination of employment due to re-engineering, reorganization or staff reduction;
- 70% of any income received in a rehabilitation program;

- State (California, Hawaii, New Jersey, New York and Rhode Island) or federally mandated disability benefits that you receive or are eligible to receive, regardless of whether you apply for those benefits;
- Unemployment compensation benefits;
- Retirement benefits under the federal Social Security Act, Railroad Retirement Act, Canada Pension Plan and the Quebec Pension Plan;
- Automobile no-fault replacement benefits to the extent required by law.

If you have questions about what is considered "other income," call Aetna Disability Services at 1-800-AETNA-HR (1-800-238-6247). Also, once your LTD benefit is determined, the company will not decrease the benefits paid because of any future cost-of-living increases in Social Security payments or other government disability benefits being paid to you. For detailed information about state disability benefits, including how and when to apply, visit *AHR Online* at <http://aetnet.aetna.com/ahrnet/communications/focus-on/index.htm>.

Effect on other benefits

When you begin receiving LTD benefits, your other Aetna benefits are affected as follows:

- Medical or dental coverage in place at the time of disability may continue with required contributions deducted from your LTD payments.
- Company-paid life insurance will remain in effect at the amount in effect on your last day worked. If you are approved for premium waiver, any employee GUL coverage you have prior to receiving LTD benefits will continue, with your premiums waived to age 65. If you are not approved for premium waiver, you may continue coverage, with your monthly premiums deducted from your LTD benefit.
- Spousal GUL and Child(ren) Term Life Insurance may continue with premiums deducted from your LTD benefit.
- AD&D coverage will continue for 12 months from the start of your disability absence, with premiums deducted from your LTD benefit. Coverage terminates at the end of the 12-month period.
- Any LTD premiums associated with optional LTD coverage will be waived.
- Health care spending accounts may continue for up to 18 months from the date LTD benefits began, and you will be billed directly. Contributions will be on an after-tax basis and subject to governmental rules under COBRA.
- Dependent care spending account contributions will end. You may file claims for the expenses for care that was received before contributions ended.
- Long-term care coverage can continue, but will be billed on a monthly basis by Aetna U.S. Healthcare's Long-Term Care department.
- You will earn credited service and 50% of eligible pay under the pension plan's cash balance formula. If you are an Aetna Transition Participant in the pension plan (see the definition in the "Pension Plan" section of this handbook), you will continue to earn credited service and the greater of 50% of eligible pay or 100% of base pay under both the final average pay and cash balance formulas. For more information about pension benefits, see the "Pension Plan" section of this handbook.
- Incentive Savings Plan (ISP) contributions stop.
- All accrued, unused PTO Bank time will be paid to you, and you will cease to accrue PTO Bank time.

When LTD benefits end

LTD benefits end when the first of the following events occurs:

- You die during the disability period.
- You no longer are certified as disabled by Aetna Disability Services.
- You refuse or cease to participate in the rehabilitation program.
- You begin receiving benefits from the Aetna Pension Plan.
- You reach age 65. However, if you are age 60 or older when your disability begins, your LTD benefits will stop at the end of the period of time required by law.
- You cease to be under the care of a physician.
- You refuse to be examined by an independent physician.
- You start work at a reasonable occupation.
- You are confined in a penal or correctional institution for conviction of a criminal or other public offense.

Special circumstances

If you were out of work on sick pay/short-term disability when the 1999 disability program became effective on January 1, 1999, and become approved to receive LTD benefits, you will be covered by the LTD plan that was in effect when your disability began (as amended from time to time).

If you were out of work on LTD when the 1999 disability program became effective on January 1, 1999, you will be covered by the LTD plan in effect at the time your disability began (as amended from time to time). If you return to work after January 1, 1999, and your disability recurs from the same or a related cause within 90 days of your return to work, you will be covered under the plan in effect when your disability began (as amended from time to time).

Optional long-term disability benefits**Your options**

In addition to company-paid LTD benefits received on a taxable basis, you have additional options. You may elect to:

- Receive your company-paid LTD benefit on a nontaxable basis. This means your LTD benefits are not subject to federal taxes and some state and local taxes when you receive them;
- Purchase an additional 10% of LTD coverage, which will provide a total benefit equal to 60% of your eligible pay on either a taxable or nontaxable basis;
- Purchase an additional 16-2/3% of LTD coverage, which will provide a total benefit equal to 66-2/3% of your eligible pay on a taxable basis.

Your LTD options at a glance

If you elect to receive the company-paid LTD benefit (50%) on a taxable basis, you may **either**:

- Elect an additional 10% of coverage for a total of 60% received on a taxable basis, **or**
- Elect an additional 16-2/3% of coverage, for a total of 66-2/3% received on a taxable basis.

OR

If you elect to receive the company-paid LTD benefit (50%) on a nontaxable basis, you may **only**:

- Elect an additional 10% of coverage for a total of 60% received on a nontaxable basis.

If you elect a nontaxable LTD benefit

If you elect to receive your LTD benefit on a nontaxable basis, you will pay taxes on the premium you and Aetna pay for your LTD coverage. As a result, you will not have to pay federal taxes and some state and local taxes on your benefits when you receive them. Generally, in order to receive LTD benefits on a fully nontaxable basis, you must have paid the tax on all LTD premiums for three years prior to the receipt of your LTD benefits. Otherwise, taxation of the benefit will be prorated for the period in which you did not pay tax on the premium. However, if you elect the nontaxable LTD benefit option when it is first offered to you, this three-year period will not apply to you unless you change your election to a taxable basis in the future.

For example:

Here's an example that shows the difference between the taxable and nontaxable options. The three columns under "Taxable LTD Benefit" illustrate the effect of paying taxes when you actually receive your LTD benefits.

The two columns under "Nontaxable LTD Benefit" illustrate the option of choosing to pay taxes on the value of premiums. If you choose the second option, you will not have to pay federal taxes and some state and local taxes on your benefit at the time you actually receive LTD payments.

Both examples assume an employee, age 37, with eligible pay and annual income of \$45,000. The chart is based on assumptions that apply for 2001.

Annual Income	\$ 45,000	\$ 22,500	\$ 27,000	\$30,002	\$22,500	\$27,000
Taxes						
Federal income tax of 21% ¹	\$ 9,450	\$ 2,160	\$ 3,105	\$ 3,735	\$ 0	\$ 0
FICA tax of 7.65% ²	\$ 3,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net income ³	\$ 32,108	\$ 20,340	\$ 23,895	\$ 26,267	\$ 22,500	\$ 27,000
Income replacement ratio ⁴	n/a	63%	74%	82%	70%	84%
Employee monthly cost		\$ 0	\$ 5.59	\$ 11.89	\$ 0	\$ 6.60
Additional monthly taxes payable ⁵		n/a	n/a	n/a	\$.58	\$ 2.47

¹ Assumes a federal income tax of 21% for the LTD benefit less Social Security Disability Income (SSDI).

² FICA tax does not apply to benefit payments after a six-month period of disability.

³ Monthly Primary Insurance Amount for Social Security Disability Income is \$1,018. This example assumes no tax on SSDI; however, at certain income levels a portion of it may be taxable. Also, net income does not reflect the SSDI offset.

⁴ Income replacement ratio equals LTD benefit net income divided by active annual net income.

⁵ When electing a nontaxable LTD benefit, additional taxes will be payable for the premium Aetna pays and, if applicable, you will pay tax on your portion of the LTD premium.

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Evidence of insurability and pre-existing condition limits

New enrollments and increases in your optional LTD coverage are subject to evidence of insurability. In addition, you will not be eligible for LTD benefits if you become disabled during the first 12 months covered by the LTD plan if, within three months before your coverage began, the cause of the disability was diagnosed or treated; you received services for the illness or injury; or you took drugs or medicines prescribed or recommended by a physician for the condition claimed.

If you happen to be both disabled and away from work on the date your optional LTD coverage would take effect, your coverage will not take effect until you return to work for one full day, performing all of the material duties of your own occupation. This rule also applies to an increase in your coverage.

For information about making changes to your LTD coverage, please see *Valid status changes* in the "Overview" section.

OTHER TIME AWAY FROM WORK

Company-paid holidays

Company offices close for eight designated holidays each year. You will be notified of the specific dates before the start of each year.

Jury duty

If you are called for jury duty, you will be granted time off with pay. If the jury duty does not last through the full workday, you'll be expected to return to work. Your pay will not be reduced because of jury duty pay, and your PTO Bank will not be affected.

Military duty

You may take military leaves of absence for voluntary or involuntary duty in a uniformed service, including active duty, active duty for training, initial active duty training, inactive duty training, full-time National Guard duty, and absence from work for an examination to determine fitness for any such duty. Uniformed services include the Armed Forces (including Reserves), Army and Air National Guard, the commissioned corps of the Public Health Service and any other category of persons designated by the president of the United States in time of war or emergency.

No minimum length of employment is required to request military leave. If you are absent because of military service, you will be placed on a military leave of absence status for the first six months. If your military service extends beyond six months, your employment will be terminated without severance, but you will be entitled to re-employment rights in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA). Refer to the *Personnel Policies and Programs* (PP&P) manual for more information about return to work after extended military service.

Military leave pay policies

For periodic, active-duty training, regular employees are eligible to receive full pay for up to one week each calendar year. You can choose to cover any additional days with PTO Bank days or with an unpaid military leave of absence.

As a regular employee, if you are called to active duty for an emergency, you are eligible to receive full pay for up to two weeks during the calendar year. If the emergency continues, you receive a pay differential (the difference between military pay and your pay) for up to two additional weeks. Emergency service time beyond four weeks is unpaid (leave of absence status for the first six months) for the duration of the military leave. You may request to be paid for any accrued but unused days in your PTO Bank to a maximum of 25 days (this payout will not be prorated).

Refer to the *Personnel Policies & Programs* (PP&P) manual for details about administration of the company's military leave policy.

FAMILY AND MEDICAL LEAVE

For qualifying events, Aetna's Family and Medical Leave (FML) policy allows eligible employees to take family leave, family medical leave and employee medical leave up to a total of 16 weeks in a rolling 12-month period — with the assurance of the same or an equivalent position upon return to work.

Eligibility

You are eligible to take a leave under Aetna's Family and Medical Leave (FML) policy for a qualifying event if you have at least 12 months (not necessarily consecutive) of service and have worked at least 1,000 hours in the 12 months immediately before the leave begins.

Your time away from work does not count toward the 1,000 hours of work requirement. However, certain time away from work, such as certified disability leave, PTO Bank days and military leave, will count toward the 12 months of service requirement. In addition, time you have worked at Aetna as a temporary employee (including time you worked at Aetna through a temporary agency) will count toward both the 12 months of service and 1,000 hours of work requirements.

Your manager determines whether you meet the eligibility requirements for leave. If you notify your manager of the need for FML leave before you meet the eligibility requirements, he or she can tell you when you will become eligible for leave.

If you are a regular employee scheduled to work at least 15 hours a week and have less than 12 months of service, you are eligible for only limited leave protection. Please see *Limited leave protection for first-year employees* in this section of the handbook.

Leaves available under the Aetna FML policy

Three types of leave are available under Aetna's FML policy: family leave, family medical leave and employee medical leave.

Family leave

You may take an unpaid family leave for the birth and care of your newborn child, for adoption of your child or for foster care of a child placed with you. Family leave is available to both men and women and must be taken within the first 12 months after the child is born, adopted or placed with you.

In some cases, a family leave can begin before the foster care placement or adoption of a child occurs. For example, family leave may be used for time spent attending mandatory counseling sessions, appearing in court and consulting with an attorney on a placement or adoption.

You may take family leave on an intermittent or reduced leave schedule basis if your manager agrees and it is consistent with business needs. Whether you take family leave all at once (for example, immediately after the birth of a child) or on an intermittent or reduced leave schedule basis, the leave must be taken within 12 months of the birth, adoption or foster care placement.

Intermittent leave is leave taken in separate blocks of time due to a single qualifying reason. A reduced leave schedule reduces your usual number of working hours per workweek or per workday for a period of time (for example, four hours a day for three weeks).

Family medical leave

You may take an unpaid family medical leave if a health care provider determines that you are needed to care for an eligible family member with a serious health condition. Eligible family members include:

- Spouse;
- Domestic partner;
- Your child, including a child for whom you are in loco parentis;
- Child of your domestic partner;
- Parent, including an adult who was in loco parentis for you as a child;
- Parent-in-law;
- Parent of your domestic partner;
- Member of your household.

in loco parentis means "in the place of a parent." It refers to a person who raises another individual or acts as a parent.

Examples of situations for which family medical leave is available:

- Your family member with a serious health condition is unable to care for his or her own basic medical, hygienic or nutritional needs or safety, or is unable to transport himself or herself to the doctor.
- Providing psychological comfort and reassurance would be beneficial to a family member with a serious health condition who is receiving inpatient or home care.
- You are needed to fill in for others who are caring for your family member with a serious health condition, or to make arrangements for changes in care, such as transfer to a nursing home.

You may take family medical leave on an intermittent or reduced leave schedule basis when your family member's health care provider determines that such leave is medically necessary.

Employee medical leave

You may take employee medical leave for your own serious health condition. Your health care provider must find that because of your serious health condition, you are unable to work at all or are unable

to perform any one of the essential functions of your position.

If your absence is certified under Aetna's Chronic Condition Management (CCM) program or short-term disability (STD) plan, it automatically is certified for employee medical leave, beginning on the first day of your absence, and will be counted against your 16-week allotment, provided you are eligible for leave. For more information about the CCM program, STD benefits and LTD benefits, see those headings in this chapter of the handbook.

If your absence is not certified by Aetna Disability Services for STD benefits (either because you did not meet the five-day waiting period for benefits or because STD benefits were denied), you may apply separately for employee medical leave approval. You must request leave protection within two business days after you return to work or receive notice that STD benefits have been denied, and you must submit the required medical information to Total Health and Disability Services (TH&DS) within 15 days of your request for leave. If you have PTO Bank time available, you must use that time to cover the employee medical leave. If your PTO Bank balance is zero, the leave will be unpaid.

Your manager determines whether you have met the eligibility requirements for employee medical leave. TH&DS only determines if the medical information submitted by your health care provider indicates that your absence is due to a serious health condition.

Definitions

Serious health condition — A serious health condition is an illness, injury, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider as defined below:

Inpatient care — Inpatient care is an overnight stay in a hospital, hospice or residential medical care facility, including any period of incapacity (the inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment for or recovery from such a condition) or any subsequent treatment in conjunction with inpatient care.

Continuing treatment by a health care provider — A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

- A period of incapacity of more than three consecutive calendar days and any subsequent

treatment or period of incapacity relating to the same condition *that also involves*:

- Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by, a health care provider; or
- Treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider;
- Any period of incapacity due to pregnancy or for prenatal care;
- Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one that:
 - Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - Continues over an extended period of time (including recurring episodes of a single underlying condition); or
 - May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy);
- A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. You or your family member must be under the continuing supervision of, but need not be receiving treatment by, a health care provider. Examples include a severe stroke, the terminal stages of a disease or Alzheimer's disease;
- Any period of absence to receive multiple treatments (including any period of recovery from such treatments) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation), severe arthritis (physical therapy) or kidney disease (dialysis).

"Treatment" includes examinations to determine if a serious health condition exists and evaluations of the condition. It does not include routine physical examinations, eye examinations or dental examinations. An example of a "regimen of continuing treatment" would be a course of prescription medication, such as an antibiotic, or a therapy requiring special equipment, such as oxygen, to

resolve or alleviate the health condition. A regimen of continuing treatment that can be initiated without a visit to a health care provider — such as taking aspirin or antihistamines or drinking fluids — is not sufficient by itself to constitute a regimen of continuing treatment for the purpose of FML leave.

Restorative dental or plastic surgery after injury or removal of cancerous growths may be a serious health condition if all other conditions of the definition are met. Allergies also may be serious health conditions if all the conditions of the definition are met.

Substance abuse may be a serious health condition if the conditions of the definition are met. However, FML leave may be taken only for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. An absence because of use of the substance — rather than for treatment — does not qualify for FML leave.

Absences attributable to a period of incapacity due to pregnancy or prenatal care or due to a chronic serious health condition may qualify for FML leave, even though you or your family member does not receive treatment from a health care provider during the absence and the absence does not last more than three days.

Exceptions

Certain conditions do not qualify as serious health conditions for the purpose of FML leave:

- Conditions for which cosmetic treatments are administered, such as treatment for acne or plastic surgery, unless inpatient care is required or complications develop;
- Unless complications arise, the common cold, flu, earaches, upset stomachs, minor ulcers, headaches (other than migraines), routine dental or orthodontia problems and periodontal disease.

Intermittent leave or reduced leave schedule

You may take employee medical leave intermittently or on a reduced leave schedule basis when medically necessary for:

- Planned or unplanned medical treatment of a related serious health condition by, or supervised by, a health care provider;
- Recovery from treatment or recovery from your serious health condition.

Examples of intermittent and reduced leave schedule include:

- Intermittent leave for a serious health condition requiring periodic treatment by a health care provider for periods from one hour to several weeks — such as occasional leave for medical appointments or for several days at a time over a period of months for chemotherapy;
- A pregnant employee may take intermittent leave for prenatal examinations or for periods of severe morning sickness;
- Reduced leave schedule if you are recovering from a serious health condition and are not strong enough to work a full-time schedule;
- Intermittent or reduced leave schedule if you are incapacitated or unable to perform the essential functions of your position because of a chronic serious health condition, even if you do not receive treatment by a health care provider during your absence.

Leave for other situations

In addition to family leave, family medical leave and employee medical leave described in the preceding sections, Aetna's FML policy allows you to take leave for other situations for which protected leave is available under state or local law. Depending on applicable law, these situations may include time off for children's educational events, bone marrow donations or care of a family member without a serious health condition.

Length of leave allowed

In any rolling 12-month period, you may take a total of 16 weeks of job-protected family leave, family medical leave and employee medical leave. If you take a leave for more than one qualifying event, all time is combined over the rolling 12-month period.

If you use your 16-week leave allotment and need more time away from work, your manager has the discretion to extend your family leave or family medical leave for up to six months, including your protected leave period. Any additional discretionary leave time is not protected under the law or Aetna's policy. For example, you would not be guaranteed a job when you return.

If your pregnancy-related disability leave exceeds the 16-week allotment, the entire pregnancy-related disability leave may be protected if your condition remains medically certified by Aetna Disability Services or, if short-term disability (STD) benefits are not payable, by Total Health and Disability Services (TH&DS).

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In several states, such as California, Oregon, Connecticut and New Jersey, laws regarding family and medical leave may afford you additional leave protection. Contact your manager or local human resources professional for information about leave available under your state's law.

Concurrent leaves

Leaves taken under the FML policy run concurrently with any leave periods for which benefits are paid under the STD or LTD plans, and with any similar leave required under federal, state or local law, including:

- Workers' Compensation;
- State disability plans;
- State and local laws governing disability leave policies, such as pregnancy-related disability leaves;
- Time away from work for participation in children's educational events, bone marrow transplants, care of a child without a serious health condition and other situations for which protected leave is available under state or local law.

Effect on benefits and pay

Leaves of several days generally will not affect your benefits. If you take a longer leave, the following will apply:

- Medical, dental, employee Group Universal Life (GUL), Spousal GUL and Child(ren) Term Life insurance, optional AD&D and optional LTD: Benefits continue as long as you pay directly your share of the cost during any unpaid portion of your leave. While on a certified and approved unpaid FML leave, you will be billed and pay premiums with after-tax dollars. If you fail to make these contributions, your coverage will be canceled for nonpayment, retroactive to the first of the month in which payment was not made;
- Health care spending account: Participation continues as long as you make contributions during any paid or unpaid portion of your leave. While on an approved unpaid FML leave, you will be billed and make contributions with after-tax dollars. If you fail to make these contributions, participation will be canceled for nonpayment, retroactive to the first of the month in which payment was not made;
- Dependent care spending account: Participation continues during any paid portion of your leave;
- Company-paid term life and company-paid AD&D continue while you are on paid or unpaid FML leave. Business travel accident insurance does not continue.

- STD or LTD: If you're on an unpaid family leave or unpaid family medical leave and become disabled, you're not eligible for STD or LTD benefits. If you are on a certified and approved employee medical leave and are not initially certified for STD benefits, you will be eligible to apply for STD benefits and may be eligible for LTD benefits once you provide Aetna Disability Services with acceptable medical certification of your disability;
- ISP: You may not contribute to the Incentive Savings Plan (ISP) during periods of unpaid FML leave. However, your account will remain invested in the plan;
- PTO Bank: If you are on an unpaid FML leave, you will not accrue one month's PTO Bank time for each 20 consecutive workdays you are on leave. (In California, talk to your human resources representative before applying this policy). In addition, if you are not considered actively at work on January 1, when an annual deposit of days otherwise would be made to your PTO Bank, you will not receive the deposit until you return to work for at least one full day;
- Length of service: Time on paid or unpaid FML leave counts toward PTO Bank accrual rates, pension service and service awards;
- Other contributions and deductions: During an unpaid FML leave, any contributions to United Way and Combined Health Appeal stop. Also, savings bond deductions stop, and you will be refunded any accumulated contributions that have not been used to purchase a bond.

Using PTO Bank days to cover unpaid FML leave

Family leave and family medical leave

Ordinarily, your family leave or family medical leave will be unpaid. However, you may elect to cover part or all of your protected leave with PTO Bank time, if available. The PTO Bank time will run concurrently with the family leave or family medical leave.

Employee medical leave

The first five workdays of an employee medical leave that are certified under the CCM program or by Aetna Disability Services for STD benefits must be covered by your PTO Bank time, if available. If no PTO Bank time is available, the first five workdays of your leave will be unpaid. Any employee medical leave that is not certified by Aetna Disability Services for STD benefits must be covered by PTO Bank time, if available. If no PTO Bank time is available, the leave will be unpaid.

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Job protection

You are guaranteed the same or an equivalent position as long as you return to work by the end of your protected 16-week leave period or at the end of a pregnancy-related disability leave or statutory leave that is longer than 16 weeks, as long as your position has not been eliminated because of changed business conditions. If your position has been eliminated because of changed business conditions, the company may not discriminate against you in the selection or de-selection process because of your protected leave. If your medical condition prevents you from returning to the same or an equivalent position, other positions or accommodations will be explored.

After your first 12 months of employment, an absence due to a certified and approved leave covered by the company's FML policy will not be used for disciplinary purposes unless your combined FML leaves exceed 16 weeks in a rolling 12-month period. Pregnancy-related absences approved by Aetna Disability Services for benefits under the STD plan or by TH&DS for employee medical leave may be protected even if they exceed the 16-week leave allotment. Certified and approved absences are not counted under your department's attendance guidelines for disciplinary reasons.

If you do not return to work at the end of a certified and approved family leave, family medical leave or employee medical leave (including any additional period that has been certified for STD benefits), your action will be considered a voluntary termination of employment.

Limited leave protection for first-year employees

If you are a regular employee scheduled to work at least 15 hours a week and have less than 12 months of service, you are eligible for only limited leave protection. Your position or an equivalent position will be held open for you until you return from a period of disability of up to 13 weeks (not necessarily consecutive), as long as the disability has been certified and approved for STD benefits by Aetna Disability Services. This absence still is subject to disciplinary action under your department's attendance guidelines. First-year employees whose absences (other than pregnancy-related disability absences) have not been certified and approved for STD benefits are not eligible for this limited leave protection and should not seek protection of these

absences under the regular employee medical leave certification process.

First-year employees also may be entitled to job-protected pregnancy disability leave for disability absences that are certified and approved for STD benefits or, if STD benefits are not payable, absences are medically certified by TH&DS through the employee medical leave certification process. If certified and approved, these absences are not subject to disciplinary action under your department's attendance guidelines.

How to receive approval for a leave

You and your manager have specific responsibilities when requesting and acknowledging the request for a leave.

Family leave — no medical certification required***Your responsibility***

You should request a family leave at least 30 days before the leave begins, if the need for leave is foreseeable. If the need is not foreseeable, you must make your request within a reasonable time of the family leave event, but no later than two business days after returning to work. Your request for protected leave may be denied if it is not made on a timely basis.

To make your request, you must submit to your manager a *Family Leave and Family Medical Leave Request and Acknowledgment* form with side one completed. Your manager may request evidence of your need for family leave, such as a birth certificate or adoption award.

Your manager's responsibility

Your manager must complete side two of the *Family Leave and Family Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receipt of your verbal or written request for family leave.

Family medical leave — medical certification required within 15 days after you request leave.***Your responsibility***

You should request a family medical leave at least 30 days before the leave begins if the need for leave is foreseeable. If the need is not foreseeable, you must make your request within a reasonable time of the family medical leave event, but no later than two business days after returning to work.

Your request for protected leave may be denied if it is not made on a timely basis.

To make your request, you must submit to your manager a *Family Leave and Family Medical Leave Request and Acknowledgment* form with side one completed. You also must have your family member's health care provider complete a *Family Medical Leave Statement of Health Care Provider* form and submit it to your manager within 15 calendar days of the date you gave verbal or written notice of your need for family medical leave. Your request for protected leave may be denied if it is not made on a timely basis.

Your manager's responsibility

Your manager must complete side two of the *Family Leave and Family Medical Leave Request and Acknowledgment* form and give it to you no later than two business days after receipt of your verbal or written request for family medical leave.

Employee medical leave — medical certification required within 15 days after you request leave.

Your responsibility

You should request an employee medical leave at least 30 days before the leave begins if the need for leave is foreseeable. For example, if you are pregnant and need to attend regularly scheduled prenatal appointments, the need for leave is foreseeable. You should submit a request for the time you will spend attending the appointments. If the need for leave is not foreseeable, you must make your request within a reasonable time of the employee medical leave event, but no later than two business days after returning to work from an illness or injury that is less than six consecutive workdays.

If your absence is certified under the CCM program or the STD benefits plan, you do not need to complete or submit the *Employee Medical Leave Request* form or the *Statement of Health Care Provider* form. In this situation, your manager will be notified that the absence is medically certified for employee medical leave. Your manager will then review your eligibility for leave and advise you whether or not the leave will be designated as employee medical leave within two days after receiving notice of your certified and approved disability leave.

If your absence is denied certification under the CCM program (e.g., your absence was for less than a full workday or was not for a chronic or pregnancy-related condition), you must apply separately for employee medical leave. To apply, complete the employee

portion of the *Employee Medical Leave Request* form and submit it to your supervisor. Your supervisor will determine and notify you if you are eligible for employee medical leave. If you are eligible, you must submit the completed *Employee Medical Leave Request* form along with the fully completed *Statement of Health Care Provider* to TH&DS. You must submit these forms to TH&DS within 15 calendar days of the date you requested leave from your supervisor. Failure to submit these forms in a timely manner may result in the denial of your request for employee medical leave.

If your absence is denied certification under the STD benefits plan, your supervisor will determine if you are eligible for employee medical leave and, if you are eligible for leave, will provide you with special *Employee Medical Leave Request and Statement of Health Care Provider* forms to use in this situation. You must submit the fully completed forms to TH&DS at the address listed on the forms within 15 days of the date your supervisor provides the forms to you. Failure to submit the fully completed forms to TH&DS on a timely basis may result in the denial of your request for employee medical leave.

Your manager's responsibility

Upon receiving your request for leave, your manager will review your eligibility for leave and will notify you of your eligibility for leave within two business days after your request for leave or within two business days after receiving notice that your absence is certified for STD or CCM.

If your absence is certified as resulting from a serious health condition, your manager must grant the request for leave and count it as protected time if you are eligible for leave, unless a second medical opinion is requested and paid for by Aetna. Before returning to work from a certified employee medical leave, you may be required to submit information from your health care provider to TH&DS indicating you are able to resume work.

If you have questions about Aetna's FML policy, see your manager or human resources professional, or call 1-800-AETNA-HR (1-800-238-6247).

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The federal FMLA compared to Aetna's FML policy

The company's FML policy is designed to comply with the requirements of the federal Family and Medical Leave Act (FMLA) of 1993 and similar state and local leave laws. Where specific state or local requirements are more generous than Aetna's policy, the leave provisions mandated by state or local law will govern. In some respects, Aetna's FML policy is more generous than federal, state and local requirements.

The following chart compares key provisions of the federal FMLA and Aetna's FML policy.

Employers must provide eligible employees with up to 12 weeks of job-protected leave in any 12-month period.	Aetna provides eligible employees with up to 16 weeks of job-protected leave in a rolling 12-month period.
Employees are eligible if they have at least 12 months of service and have worked at least 1,250 hours in the 12 months immediately before the leave begins.	Employees are eligible if they have at least 12 months of service and have worked at least 1,000 hours in the 12 months immediately before the leave begins.
Family medical leave is available to eligible employees to care for a spouse, son, daughter or parent with a serious health condition.	Family medical leave is available to eligible employees to care for a spouse, domestic partner, child, child of a domestic partner, parent, parent-in-law, parent of a domestic partner or household member with a serious health condition.

For more information about the federal FMLA, contact the nearest office of the U.S. Department of Labor, Wage and Hour Division, which is generally listed in telephone directories under U.S. Government, Department of Labor.

If your request for leave is denied *Employee medical leave*

If TH&DS determines that your absence is not the result of a serious health condition as defined in Aetna's FML policy or under applicable federal, state or local leave laws, you may appeal the determination by mailing a request for reconsideration to TH&DS or faxing your request to 1-866-273-7397 within 15 days after receiving notice of the denial of medical certification. Include any additional information that you wish to have reviewed. TH&DS will review your

written request and notify you in writing of the decision within 30 days.

Employee medical leave, family leave, family medical leave

If your manager denies your request for employee medical leave, family leave or family medical leave, contact your local human resources professional. You may appeal the matter further through the company's resolution process, which is described in the Personnel Policies and Programs Manual (PP&P).

California family care and medical leave and pregnancy disability leave

Under the California Family Rights Act of 1993 (CFRA), if you have more than 12 months of service and have worked at least 1,250 hours in the 12-month period before the date you want to begin your leave, you may have the right to an unpaid family care or medical care leave (CFRA leave). This leave may be for up to 12 workweeks in a 12-month period for the birth, adoption or foster care placement of your child, or for your own serious health condition or that of your child, parent or spouse.

If you are not eligible for CFRA leave, but you are disabled because of pregnancy, childbirth or related medical conditions, you are entitled to a pregnancy disability leave of up to four months, depending on your period of actual disability. If you are CFRA eligible, you have certain rights to take both a pregnancy disability leave and a CFRA disability leave for the birth of your child. Both leaves contain a guarantee of reinstatement to the same or a comparable position at the end of the leave, subject to any defense allowed under the law.

If possible, you must provide at least 30 days advance notice for foreseeable events, such as the birth of a child or planned medical treatment. For unforeseeable events, you must notify your manager, at least verbally, as soon as you learn of the need for the leave.

Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until you comply with the requirements.

You may be required to provide medical certification from your health care provider before taking a leave for pregnancy-related disability or your own serious health condition, or from the health care provider of your child, parent or spouse before taking leave to

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care for that family member with a serious health condition. When medically necessary, leave may be taken on an intermittent or reduced-work schedule basis.

If you are taking leave for the birth, adoption or foster care placement of a child, you may take the leave all at once or on an intermittent basis. The minimum duration of the leave is two weeks, and you must conclude the leave within one year of the birth, adoption or foster care placement. Contact your human resources professional for more details.

Taking a family care or pregnancy-related disability leave may affect certain benefits. For more information regarding your eligibility for a leave and/or the effect of the leave on your benefits, contact your local human resources professional.

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